## Contents

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>James Petras</em></td>
<td></td>
</tr>
<tr>
<td>Winners and Losers in the Israeli-Palestinian Deadlock</td>
<td>31</td>
</tr>
<tr>
<td><em>Immanuel Wallerstein</em></td>
<td></td>
</tr>
<tr>
<td>America’s Permanent War Agenda</td>
<td>35</td>
</tr>
<tr>
<td><em>Stephen Lendman</em></td>
<td></td>
</tr>
<tr>
<td>The Gift that Keeps on Taking</td>
<td>47</td>
</tr>
<tr>
<td><em>Michael Krepon</em></td>
<td></td>
</tr>
<tr>
<td>Proliferation of Think Tanks: Impact on Theories of Policy Formulation</td>
<td>51</td>
</tr>
<tr>
<td><em>Md. Rahat Hasan</em></td>
<td></td>
</tr>
<tr>
<td>Declaratory Diplomacy: Collective European Position on the Palestinian-Israeli Conflict</td>
<td>69</td>
</tr>
<tr>
<td><em>Sujata Ashwarya Cheema</em></td>
<td></td>
</tr>
<tr>
<td>Gandhi, Zionism, and the Palestine Question</td>
<td>85</td>
</tr>
<tr>
<td><em>A.K. Ramakrishnan</em></td>
<td></td>
</tr>
<tr>
<td>West Asia in Transition: In Conversation with K.R. Singh</td>
<td>91</td>
</tr>
<tr>
<td><em>K.R. Singh/K.M. Seethi</em></td>
<td></td>
</tr>
<tr>
<td>Democracy, Human Rights and Kashmir</td>
<td>97</td>
</tr>
<tr>
<td><em>Teresa Joseph</em></td>
<td></td>
</tr>
<tr>
<td>India’s Africa Policy in the New Century</td>
<td>113</td>
</tr>
<tr>
<td><em>Reji D. Nair</em></td>
<td></td>
</tr>
<tr>
<td>Beyond Regions: Political Economy of India’s Trans-South Asian Engagements</td>
<td>133</td>
</tr>
<tr>
<td><em>K.M. Seethi</em></td>
<td></td>
</tr>
<tr>
<td>Energy Security Cooperation in South Asia</td>
<td>145</td>
</tr>
<tr>
<td><em>C. Vinodan</em></td>
<td></td>
</tr>
<tr>
<td>Interrogating Security: The Hindu Right and the Nuclear Question</td>
<td>163</td>
</tr>
<tr>
<td><em>P. M. Joshy and K. M. Seethi</em></td>
<td></td>
</tr>
<tr>
<td>India-Sri Lanka Free Trade Agreement: Implications</td>
<td>175</td>
</tr>
<tr>
<td><em>M. Reghunathan</em></td>
<td></td>
</tr>
</tbody>
</table>
Will the intensified conflicts between the US and China inevitably lead to a global conflagration? If recent past history is any indication the answer is a resounding yes. The most destructive wars of the twentieth century were the result of confrontations between established (EIP) and rising (RIP) imperial powers. The practices and policies of the former serve as guides to the latter.

England’s colonial exploitation of India, its markets, treasury, raw materials and labour served as a model for Germany’s war and attempted conquest of Russia (Kershaw 2008). The enmity between Churchill and Hitler had as much to do with their common imperial visions, as it did their conflicting views of politics. Likewise, European and US colonial plunder of Southeast Asia and China’s coastal cities served as a model for Japan’s drive to colonise and exploit Manchuria, Korea and mainland China.

In each instant the conflict between early established, but stagnant, imperial powers and late developing dynamic empires led to world wars in which only the intervention of another rising imperial power, the United States (as well as the unanticipated military prowess of the Soviet Union), secured the defeat of the RIP. The US emerged from the war as the dominant imperial power, displacing the established European imperial powers, subordinating the RIP of Germany and Japan and confronting the Sino-Soviet bloc (Kolko 1990). With the demise of the USSR and the conversion of China into a dynamic capitalist country, the stage was set for a new confrontation between an established imperial power (EIP) the US and its European allies and China, the newly emerging world power.

The US empire covers the world with nearly 800 military bases (Johnson 2007), multi-lateral (NATO) and bi-lateral military alliances, a dominant position in the self-styled international financial institutions (World Bank,
International Monetary Fund) and with multi-national banks, investment houses and industries in Asia, Latin America, Europe and elsewhere. China did not challenge or borrow the US model of military driven empire building. Even less does it look at the previous Japanese or German approach to challenging established empires. Its dynamic growth is driven by economic competitiveness, market relations guided by a developmental state and a willingness to borrow, learn, innovate and expand internally and overseas displacing US market supremacy in regions and countries in Latin America, the Middle East and Asia, as well as inside the US and the European Union (Petras n.d).

**Established Imperial States**

World and regional wars, insofar as they involved EIS (and most wars directly and via proxies engaged the imperial states) resulted from efforts to retain privileged positions in established markets, accessing raw materials, exploiting labour via mercantile, colonial, bilateral and multilateral agreements. Frequently trading zones linked the imperial and dependent country and region and excluded potential competitors. Military bases were ‘super-imposed’ over imperial controlled economic zones. Networks of political clients favoured imperial countries. Given the privileged and early establishment of their imperial domains, EIS portrayed later emerging imperial powers as ‘aggressors’ who threatened ‘peace,’ namely, their hegemonic position. Like the EIS the later states followed a pattern of military conquests of colonial and non-colonial client states of the established imperial states followed by plunder (Bix 2000). Lacking the networks, satraps and clients of the EIS, they relied on military power, separatist movements and ‘fifth columnists’ (local movements whose primary loyalty was to the rising imperial power). The RIP claimed that its ‘legitimate’ quest for a share of world power was blocked by illegal economic boycotts of access to raw materials and colonial style mercantile systems which closed potential markets (Miller 2007). The EIS defeat of the RIP (Germany and Japan) with the essential backing of the USSR and the USA established the bases for a new set of empires which competed and conflicted on a new bases. The USSR established a military-ideological group of satellite states confined to Eastern Europe in which the imperial centre economically subsidised its clients in exchange for political control. The US replaced the European colonial powers via a worldwide network of military treaties and the forceful penetration of former colonial states with a system of neo-colonial dependencies (Petras and Morley 1981).
The collapse of the Soviet empire and the implosion of the USSR briefly opened new vistas in Washington, for a unipolar empire without competitors or challengers, a ‘pax Americana’ (Defense Strategy for the 1990s 1992). This ‘vision’ based on a superficial one dimensional analysis of US imperial military supremacy ignored several crucial weaknesses.

1) The relative decline of US economic power faced with stiff competition from the EU, Japan, the newly industrialising countries and beginning in the early nineties from China.

2) The fragile foundations of US imperial power in the Third World based on highly vulnerable client collaborators whose economies, subject to pillage, were not sustainable.

3) The de-industrialisation and financialisation of the US economy leading to a decline of merchandise trade and an increasing dependence on income from financial services. The almost complete specularisation of the financial sector led to great volatility and the pillage of productive assets as collateral for the mounting debt overhang.

In other words, the ‘external edifice’ of a unipolar empire obfuscated the deepening internal rot and deep contradiction between greater external expansion and domestic deterioration. The rapid military expansion of the US, replacing the USSR’s Warsaw pact with the incorporation of the Eastern European countries into NATO created the image of an irrepessible dynamic empire. The pillage and transfer of wealth from Russia, Eastern Europe and the former Soviet Republic gave the appearance of a dynamic economic empire. There were several problems with this viewpoint insofar as the pillage was a one-shot windfall; the plunder, mostly enriched Russian gangster oligarchs; and the privatised public firms passed mostly into the hands of Germany and the countries of the European Union. The US Empire which bore the cost of promoting the downfall of the USSR was not the prime economic beneficiary – its gains were mostly military, ideological and symbolic.

The fateful long term consequences of the post-Soviet, US military victories occurred during the Bush senior and Clinton regimes of the early and mid 1990s. The US invasion of Iraq and rapid fire smash-up of Yugoslavia gave an enormous impetus to US military driven empire building. The rapid military victories, the subsequent de facto colonisation of Northern Iraq and control over its trade and budget revived the idea that imperial rule via colonisation was a viable historical project. Likewise, the establishment of the Kosovo entity (subsequent to the bombing of Belgrade) and its conversion into a massive NATO military base reinforced the idea that military driven global expansion was the ‘wave of the future’ (Johnstone 2002). Even more disastrous, the military primacy over economic directed empire
building, led to the ascendancy of hard line militarist ideologues deeply embedded in the Israeli-Zionist military metaphysic of unending colonial wars (*The Project for the New American Century* 2002). As a result by the beginning of the new millennium all the political, military and ideological pieces were in place for the launching of a series of imperial-Zionist driven wars, which would further sap the US economy, profoundly deepen its budget and trade deficits and open the way for the rise of new dynamic economic-market driven empires.

Unlike earlier RIP, China has relied from the beginning on developing the domestic productive forces, building on the fundamental achievements of the Chinese social revolution. The social revolution created a unified country, ousted colonial enclaves, created a healthy educated labour force, basic infrastructure and industry. The new capitalist leaderships turned the economy outward and invited foreign capital to provide technology, open overseas markets and capitalist managerial skills, while retaining control over the financial system and strategic industries. Most important, its semi-privatised agriculture created a multi-million surplus work force of low paid wage workers for intense exploitation in labour intensive coastal assembly plants. The new capitalist rulers eliminated the social safety net of free health and basic education forcing high rates of savings to cover medical bills and tuition and increasing the rates of investments to astronomical levels. Initially at least, China, in contrast to earlier RIP, intensified the exploitation of domestic labour and resources, instead of engaging in overseas military conquests and the pillage of resources and exploitation of ‘forced labour.’

China’s overseas expansion was market driven based on a triple alliance of state, foreign and national capital, in which over time, the role of each actor varied according to political and economic circumstances and the realignment of internal capitalist forces. From the beginning the internal market was sacrificed in the pursuit of external markets. Mass consumption was postponed in favour of state and private elite investment, profits and wealth. Rapid and massive accumulation widened inequalities and concentrated power at the top of the new state-capitalist hybrid class system.

In contrast to the EIP of the past and the US today, China as a RIP, subordinated banks to financing industry-manufacturing especially the export sectors. Unlike EIP like the US, China abjured big military spending on overseas bases, colonial wars and costly military occupations. Instead its goods penetrated markets, including that of the EIP. In a sui generis situation of borrowing technology and marketing expertise from imperial based multi nationals and then turning around and using the acquired skills to rise up
the production cycle from assembly plant to manufacture, to design and innovative high value products.\(^6\)

The RIP increased its merchandise exports while sharply limiting the penetration of financial services, the new driving force of the EIP. The result overtime was a ballooning of a merchandise trade deficit not only with China but with nearly 100 other countries around the world. The pre-eminence of the financial military driven imperial elite inhibited the development of higher tech merchandise development capable of penetrating the market of the RIP and reducing the trade deficit. Instead the backward under developed and uncompetitive manufacturing sector were not able to compete with lower wage Chinese products and together with a backward looking overpaid bureaucratic trade union elite complained of unfair competition and “undervalued Chinese currency.” They overlooked the fact that the US deficit was a product of domestic economic configurations and gross imbalances between finance and manufacturers and producers. An army of financial writers, economists, pundits, experts and other ideological experts linked to dominant financial capital provided the ideological gloss to the confrontational campaign against China’s economic driven rising imperial power.\(^7\)

In the past EIP powers organised a ‘division of labour.’ In the colonial model the dependencies of colonial produced raw materials and imported finished manufactured goods from the EIP. In the early post-colonial period the division of labour was the production of labour intensive goods in the newly independent countries in exchange for more technologically advanced goods from the EIP. A ‘third stage’ division of labour was propagated by the ideologies of finance capital in which the EIP would export services (financial, technological, entertainment, etc.) for both labour intensive and more advanced manufactured goods. The ideologies of the third phase division of labour assumed that the invisible earning resulting from repatriated earnings of finance capital would ‘balance’ the external accounts of the deficits in merchandise trade. The financial monopoly of Wall Street and the City in London would ensure returns to retain a balance of payments surplus. This mistaken assumption was based on the earlier colonial and post-colonial model in which the agro-mineral and manufacturing countries did not control their own financing, insuring and transportation of international and domestic commodities. Today that is not the case. Unable to dominate financial markets in merchandise trading countries like China, finance capital intensified its internal and intra-imperial speculative activity. This led to a spiralling of the fictitious economy, its inevitable collapse and the accumulation of external debt and trade deficits.
In contrast China expands its industrial sector balancing imports of semi-finished commodities for assembly, technology to set-up its own manufacturing production and capital linked to majority nationally owned plants with sales of finished goods to the US, EU and the rest of the world. Through state banks it retains control over the financial sector hence it lowers the outflow of ‘invisible earnings’ paid out to the EIP. EIP engages in vast non-productive and inefficient (with billion dollar cost overruns) military expenditures and high cost colonial wars without ‘imperial returns.’ In contrast a RIP like China pours hundreds of billions, building up its domestic economy as a springboard for conquering external markets. The brutal imperial-colonial wars of the EIP savage millions of conquered peoples but at the cost of the disaccumulation of capital. In contrast the RIP, like China, harshly exploits hundreds of millions of migrant workers, in the process of accumulating capital for extended reproduction in the home and overseas markets. Unlike the past, it is the EIP which resort to military aggression to retain markets while the RIP expands overseas via market competitiveness.

The ‘economic disease’ of the EIP is their tendency to overextend their financial sector and shift their policies from promoting industry and trade to speculative and other malignant activity that feeds on itself and self-destructs. In contrast the RIP shift bank capital from financing domestic manufacturing to securing overseas raw materials for industry.

**Differences between Imperial Centres and ‘Diasporas’**

There are important differences between past and present imperial countries and various overseas Diasporas. In the past the imperial centres generally dictated policy to their overseas dependencies, securing mercenaries, conscripts and volunteers for their imperial wars, as well as profitable returns on investments and favourable trade relations. In some cases, settler colonies via their representatives in parliaments did influence imperial policy, in some cases up to and including devolution of power. Moreover, in some cases repatriated colonists did receive political support from the imperial centre in securing financial compensation for expropriated properties. However, the imperial centre always overrode the resistance of overseas settlers when it came to fashioning a pact with the ex-colonies which preserved larger economic and political interests.

In contrast the US imperial state pays a multibillion dollar tribute and submits to war policies dictated by its apparent ‘dependency’ Israel as a result of the Zionist power configurations pervasive penetration of strategic policy making. We have the extra-ordinary circumstances of the ‘Diaspora’ (ZPC) of a foreign state (Israel) trumping the interests of strategic economic interests (oil industry) and top imperial
field commanders and intelligence agencies of the imperial centre in setting Middle Eastern policy (Petras 2008). Unlike any previous EIP, in the US the entire mass media propaganda apparatus, most academic centres, the majority of heavily funded think tanks churn out thousands of programmes, publications and policy papers annually reflecting an Israeli-Zionist centric view of the Middle East, censoring black-listing and purging any dissidents or forcing them into a grovelling recantation.

The new rising imperial powers like China have no such ‘hegemonic’ dependency. In contrast to the disloyal role of ZPC which serves as a political military instrument of Israel, the Chinese Diaspora serves as an economic ally of the Chinese state. Overseas Chinese facilitate market opportunities for mainland business groups, engage in joint ventures inside and outside of China, but do not shape the foreign policy of the state in which they reside. The Chinese Diaspora do not act as a ‘fifth column’ against the national interest of their countries of residence, unlike American Zionists whose mass organisation put all of their efforts into the singular goal of subordinating US policy to maximise Israel’s colonial policies.

The differences in the relations between past and present imperial centres and their external and internal diasporas’ have enormous, multifaceted consequences in the competitive context for global power. Let us enumerate them ‘telegraphically.’ The European EIP, by sacrificing colonial diaspora demands for the continuance of racial-colonial forms of imperialism in favour of a negotiated transition to independence, retained and then expanded long term, large scale lucrative investment, trade and financial links and in some cases even military bases. The settlers were sacrificed to promote a new type of imperialism.

The RIP today, China, is not shackled by overseas racist colonial settlers. They are free to advance their economic interests anywhere in the world, particularly in regions and countries and among peoples targeted by the fifth column, ZPC, embedded in its rival EIP (USA).10

China has over $24 billion in lucrative investments in Iran and is its principle oil importer. The US has zero investments and trade. China has displaced the US as the principle importer of Saudi oil, as well as a major trading partner in Syria, Sudan and other Muslim countries where the Zionist promoted sanctions policy minimise or eliminate US economic activity. 11 While China’s nationally and market determined policies have been the motor force for enhancing Chinese global economic position, the US harnessed to the needs of a tributary colonial power is a huge economic loser. Equally significant while China’s diaspora is strictly interested in expanding economic
ties, the Israeli diaspora – the ZPC – is strictly tied to militarising US policy, engaging in extraordinarily costly prolonged wars and antagonising almost every major Islamic population with blatant Islamophobic rhetoric and hate propaganda.

The turn to a totally ‘unbalanced’ militarised foreign policy, promoted on behalf of Israel, has completely unhinged the link between US military policy from its overseas economic interests. Paradoxically Israel’s fifth column has been an important factor facilitating China’s displacement of the US in major world markets. What had been historically a ‘stateless’ people (citizens of secular non-Jewish states) primarily defined by their entrepreneurial capacities, has in present day America, been redefined by its mainstream leaders as the principle upholders of a doctrine of offensive wars (‘preventive wars’) linked to Israel, the most militarised country in the world. As a result of their influence and in alliance with rightwing extremists, Washington has forsaken important economic opportunities in favour of projections of military power.

How Empires React to Decline: Past and Present

Like the US today, declining empires in the past have adopted various strategies to minimise losses, some more successful than others. In general the least successful and costliest policy was the attempt to roll back mass anti-imperialist movements to restore colonial domination. In a period of declining global economic power, colonial restorationist polices have always failed. The non-military strategy was the least costly and most successful, in at least securing some semblance of imperial presence. Success was based on negotiated transitions to independence in which market supremacy ensured continued imperial hegemony in partnership with an emerging colonial bourgeoisie. Historically, declining imperial powers resorted to five strategies or a combination of them.

1) Attempting to recover colonies or neo-colonies by renewed military offensives. After World War II, France in Indo-China and Algeria, England in Kenya paid a severe economic and political price in trying to restore colonial rule and ultimately they failed.

2) Negotiating a neo-colonial settlement. England severely weakened by its losses during World War II and facing a multi-million independence movement, thought it the better part of wisdom to negotiate and grant independence to India in order to retain a semblance of imperial trade and investment ties as well as indirect political influence via British
trained (Anglicised) military and civil service officials.

3) Cede the leading position to a superior rising imperial power. By becoming a junior partner, this approach seeks to at least secure a reduced share of economic benefits and political influence. England faced with the massive anti-fascist communist led resistance movement in Greece slipped back and played second fiddle as the US assumed the role of political gendarme and took control of the emerging client state. Britain remained in a reduced sphere of influence in the Balkans and Mediterranean. Likewise, Belgium attempted to subvert the new nationalist government in the Congo, led by President Patrice Lumumba, only to give pride of place to the US backed puppet regime of Mobutu.

4) Ceding political rule to indigenous rulers amenable to protecting the colonial era economic and financial levers. The retirement of the British colonial regime from the Caribbean actually lessened the administrative and police costs of protecting and promoting ‘sterlings’ privileged trading position and investments in the early post colonial period. Imperial ‘preference’ was promoted via the ‘old boy’ networks of Anglicised – British educated and indoctrinated officials, who were duly impressed by the pomp and ceremony of an elite dominated society. However, over time market dominance via ‘free trade doctrines’ replaced the old boy networks of the post colonial past and opened the door to US hegemony.

The rapid collapse of a competing empire can give new life to an empire experiencing a slower more prolonged decline. The sudden and total collapse of the Communist satellite system and the break-up of the USSR provided an exceptional opportunity for the US to extend its empire of military bases and to recruit mercenaries to fight its imperial wars. The major European powers experienced a revival of imperial fortunes by seizing the strategic industrial, service, transport media, real estate and financial sectors, in Eastern Europe, the Baltic states and the Balkans, replacing ‘direct’ Russian rule with market and ideological dominance. Recent experiences of how imperial ruling classes handled their decline have direct relevance to the responses of US imperial rulers.

US Responses to Imperial Decline: Saving the Empire Sacrificing the Nation

Washington has pursued at least six responses to its decline.

1. The long term, large scale response of Washington to its declining position in the world economy and its declining political influence in several regions is to extend and reinforce its global military base networks (Johnson 2005).
Beginning in the 1990s it converted the former Warsaw pact countries – Poland, Hungary, Czech Republic, etc – into NATO members under US military leadership. It then extended its military reach by incorporating the Ukraine and George as ‘associate’ members of NATO. This was followed by establishing bases in Kyrgyzstan, Kosovo and other statelets of the ex-Yugoslavian republic.

The new millennium witnessed a series of prolonged wars and military invasions in Iraq and Afghanistan culminating in massive base building and recruitment of local mercenary armies and police: Further abroad the White House secured seven military bases in Colombia, expanded its military presence in Paraguay, Honduras and signed bilateral military treaties with Peru, Chile and Brazil, even as the US was expelled from its military base in Manta, Ecuador. While the US was expanding its global military presence in Asia and Latin America, China replaced the US as Brazil, Argentina, Peru and Chile’s major trading partner. While the US financed a vast mercenary army in Iraq, China became Saudi’s main petroleum export market. The US global military expansion did not lead to a parallel or commensurate increase or recovery of global economic power. On the contrary as the military expanded, its economic reach further declined.

2. The White House’s second response to its global economic decline has been a very active, well funded campaign to create client regimes. Most of this effort involves financing local elites, NGOs, malleable opposition politicians and ex-patriots residing in the US with ties to Washington and its intelligence agencies. The so-called ‘color revolutions’ in the Ukraine and George, the tulip rebellion in Kyrgyzstan, the ethnic breakup of Yugoslavia, the de facto partition of Iraq and the establishment of a Kurdish ‘republic,’ the promotion of Tibetan and Uigher separatists in China oligarchs in eastern Bolivia and the military build up of Taiwan can been as part of this effort to extend political domination in the face of global economic decline.

Yet global client building has been a failure on two counts. The clients have pillaged the economy, running down the public treasury, and immiserating the population, leading in some cases to their overthrow by force or ballots. Secondly, the clients are more of a cost drawing on loans and handouts from the US Treasury rather than contributing to US global economic aspirations. Costly client building, supporting local satraps undermines economic empire building. Meanwhile, Chinese investments in manufacturers and its concomitant demand for new
materials and foodstuffs have led to a larger and more profitable presence even in the US client-states. While US backed client states rise and fall in quick succession, China’s market based presence experiences steady growth.

3. Under the direction of a highly militarised elite, including influential Zionist policymakers, Washington has moved inextricably into multi—trillion dollar wars of colonial occupation in the Middle East and South Asia, under the mistaken assumption that ‘shows of strength’ will intimidate nationalist and independent states and buttress the US economic presence. On the contrary, the wars have decreased US influence, increased local nationalist and pan-Moslem rejection especially in light of Zionised Washington’s unconditional backing of Israeli colonialism. More than any other move to bolster the empire, the prolonged colonial wars have massively mis-directed economic resources which, theoretically, could have revitalised the US global economic presence and increased its competitive position via China, into non-productive military expenditures.

4. Colonial wars to restore imperial power, we have noted, were tried and failed by the European powers shortly after World War II. The US, likewise, internally weakened by Wall Street’s pillage of the productive economy and by its multinational corporations large scale transfer of capital overseas and outsourcing of work – mainly to China and India - is least able to restore and profit from overseas colonial empire building. The irony is that half a century ago the US opted for market dominance against the European colonial model of empire building. Now it is the other way around. Europeans and China pursue hegemony via the market, while the US adopts the failed military based colonial model of empire building.

5. Clandestine operations, namely ‘coup mongering,’ have become a method of choice for reverting nationalist populist regimes in Latin America, Iran, Lebanon and elsewhere. In each case, Washington failed to restore a client regime causing a boomerang effect: the targeted governments radicalised their politics, gained support and became further entrenched. For example, a US backed coup in Venezuela was reversed, President Chavez was restored and proceeded to nationalise major multinationals, and spur Latin American opposition to free trade agreements and military bases(Petras 2010).25. Likewise, US backing for the Israeli invasion of Lebanon and the subsequent successful defense by Hezbollah strengthened its presence in the pro-US Harriri regime.
6. The US unconditional embrace of the racist colonial militarist state of Israel as its principal ally in buttering colonial wars in the Middle East, has, in fact, had the opposite effect: alienating 1.5 billion Islamic peoples, eroding support among former allies (Turkey and Lebanon) and strengthening Zionists policy influentials advocating a ‘third military front’ – a war with Iran, with its two million person armed forces.

US Strategies to Undermine, Weaken and Outcompete China as an Emerging Imperial Power

At the first signs of China’s potential as a global competitor, Washington promoted a liberal economic strategy hoping to create a ‘dependency’ relationship. Subsequently, when liberalisation failed to induce dependency, but rather accelerated China’s growth, Washington resorted to more punitive policies. During the eighties and nineties, Washington encouraged China to pursue an ‘open door’ policy toward US multi-national corporations (MNC) and provided tax incentives to encourage MNC to ‘colonise’ strategic growth sectors of China. Washington successfully promoted China’s entry into the World Trade Organisation, with the idea that ‘free trade’ would favour US MNC in capturing Chinese markets. The strategy failed: China harnessed the MNC to its own export strategy, capturing US markets; it forced the MNC into joint ventures which accelerated the transfer of technology and advanced China’s industrial learning curve in the course of increasing its own productive capacity. The WTO agreement undermined barriers to US trade and facilitated the flow of US capital into Chinese productive sectors, while eroding the US productive base and undermining its competitiveness. Over time, Chinese enterprises, state and private, grew out from and overcame, in part, its ‘dependence’ and assumed greater control over joint-ventures and developed their own centres of innovation, marketing and finance.17

The liberal strategy of creating a dependency failed; it was China which accumulated trade surpluses and subsequently assumed the role of creditor while the US turned ‘debtor’ state. Liberalisation may have worked for the US in Latin America and Africa. There weak states run by corrupt rulers oversaw the pillage of their countries raw materials, the ruinous privatisation and denationalisation of strategic firms and the massive outflow of earnings. But in China, their rulers harnessed the MNC to their own national projects, ensuring control over the dynamic process of capital accumulation. They sacrificed short term excess profits to the MNC for the long term goal of gaining markets, know-how and the spread and deepening of new productive lines via ‘content rules’ and technology transfers. Liberalisation favoured Chinese merchandise export boom, while the economy gained autonomy, upgrading
the product cycle.

China retained the reins of the financial sector, blocking a takeover by the US “leading sectors” in finance, media, real estate and insurance (Congressional Research Services 2009). By limiting penetration, speculation and volatility, China avoided the periodic crises which affected the US in 1990 – 01, 2000 – 02, 2008 – 2010. China’s version of the ‘open door’ was not a repeat of the earlier version which led to the foreign dominance of coastal enclaves. Rather the foreign own MNCs became ‘islands of growth’ harnessed to furthering Chinese state controlled and directed overseas expansion.

By the early years of the new millennium, Washington realised that the liberal strategy had failed to block China’s ascent to global power and increasingly turned toward a punitive strategy. Strategies to undermine and weaken China as an Emerging Global Power The US developed a detailed, complex and multi-prong strategy to undermine China’s rise to global pre-eminence. The strategy involves economic, political and military moves designed to weaken China’s dynamic growth and contain its outward expansion.

Economic Strategies

Washington, backed by the major financial press as well as most economists and ‘experts’, advocates intervening into China’s domestic economic policy in pursuit of measures designed to disarticulate its dynamic growth model. The most widespread demand is that China overvalue its currency to erode its competitive edge and weaken its dynamic export industries. In the past, between 2000 – 2008 Chinese revalued its exchange rate by 20 per cent and still doubled its export surplus with the US (Yao 2010). They did this by increasing productivity, lowering rates of profit and improving quality control. Moreover, the problem of US negative trade balances is chronic and global – it has negative balances with over 90 countries, including Japan and the EU (Roach 2010:11). The anti-China coalition, led by the Washington-Wall Street complex, has been pressing Beijing hard to deregulate its financial sector to facilitate the takeover of China’s financial markets, claiming ‘trade and investment’ violations. The White House sees the powerful financial sector as the only real lever to capture the commanding heights of China’s economy, through mergers and acquisition. This campaign lost steam, in the face of the financial crises of 2008 -2010 induced by Wall Street’s speculative activity. China’s financial system was
barely affected thanks to its public regulatory structure and constraints on the entry of US banks.

Washington has imposed protectionist measures, contrary to WTO rulers, in the form of tariffs on Chinese exports of steel and tires and Congress has threatened an across the board 40 per cent tariff on all Chinese exports to the US – a call for a ‘trade war.’ The US has blocked several large scale Chinese investments and buyouts of oil companies, technology firms and other enterprises. In contrast, China has allowed US MNC to invest tens of billions and to subcontract in the most diverse sectors of the Chinese economy. China as a rising world power is confident that its dynamic economy can harness US MNC to its continued growth while the US in the face of its deteriorating position is fearful of any acceleration of ‘Chinese takeovers,’ a fear borne of economic weakness, couched and disguised in the rhetoric of a ‘security threat.’

Washington encouraged China’s sovereign investment fund and overseas investors to link-up with US financial houses engaged in speculative activity, hoping to strengthen outflows to the US and creating a ‘speculator culture’ in China, to weaken the power of productive capital in the state planning apparatus. Washington has escalated its threats of economic retaliation in order to undermine and exclude China’s dynamic export sector and to secure concessions which will compromise the domestic political standing of its rulers, if and when they adopt Washington’s dictates. Chinese political leaders who allow Washington to determine its domestic economic policies will provoke internal opposition from business and workers prejudiced by those policies. Once compromised and weakened and facing inflamed national opinion, China’s leaders will face pressure from within and without – threatening China’s stability.

Washington has mounted a concerted international media campaign, mobilising the IMF and the EU to weaken China’s national industrial model, blaming the rising world power for its decline. From the leading columnist in the ‘serious’ financial press to the sensational mass circulation ‘yellow press’, from political leaders in Congress to senior executive officials, to leaders of uncompetitive manufacturers and trade union bureaucrats of a moribund labour movement, a campaign is orchestrated to ‘confront’ China over a host of crimes and sins, ranging from unfair competition, low wages, state subsidies, to shoddy quality and unsafe products. US and English academics, economists, investment consultant experts and pundits embedded in the empire have encouraged their Chinese counterparts as well as overseas investors and policymakers to propagate policies in line with Washington’s demands for policy changes. The goal is to facilitate greater US penetration and to limit China’s dynamic overseas expansion.
From day to day US ‘experts’ and economists discover reasons to preach an ‘imminent crises’ in China: the economy is slowing down or growing too fast; a ‘bubble’ in real estate is ready to burst; the banks are overloaded with bad debts, putting the financial system in danger of collapse; inflation is growing out of control; overseas investments are following colonial patterns; the economy is unbalanced, too dependent on exports rather than domestic consumption; its export competitiveness is a prime factor in unbalancing world trade; its growing economic ties in Asia threatens their ‘national security’ etc. These and numerous other propaganda pieces packaged as serious economic analysis in the Financial Times, Wall Street Journal and The New York Times are designed to blame China for the weaknesses and decline of US economic competitiveness in the world. The purpose is to influence and pressure ‘malleable’ or ‘accommodating’ neoliberal Chinese officials to change policies. Equally important these ‘critiques’ are designed to unify the business, banking, political and military elite and justify aggressive moves against China. The basic problem with these expert diagnoses is that they have repeatedly been refuted by the reality of China’s continuous dynamic growth; its ability to manage and regulate financial lending to avoid bubble busts; the growing positive reception by its African hosts to new investment deals due to their relatively generous loans and infrastructure projects which accompany investments in extractive sectors. More recently Washington has influenced India and Brazil to join the chorus blaming China for trade imbalances, a most dangerous alliance in the making.

**Political Offensive**

Established empires in decline, like the US today, have a repertoire of levers designed to discredit, seduce, isolate and contain rising world powers like China and put it on the defensive. One of the longest standing political ploys is Washington’s human rights propaganda campaign, highlighting China’s human rights violations, while ignoring its own massive offenses and downplaying those of its allies like the Jewish state of Israel. By discrediting China’s internal politics, the State Department hopes to inflate US moral authority, deflect attention from its worldwide long term and large scale violation of human rights accompanying its global empire building and build an anti-China coalition.

While human rights propaganda serves as the stick to beat back China’s economic advance, Washington also attempts to induce China’s cooperation in slowing down its decline. US diplomats frame this approach by emphasising ‘treating China as an equal,’ recognising it as a ‘world power’ which has to
“share responsibilities.” Behind this diplomatic rhetoric is an effort to harness China to a policy of collaborating and following US empire building strategies as a junior partner, at the expense of China’s economic interests. For example, while China has invested billions in joint ventures with Iran and has developed a growing lucrative trading relation, Washington demands China support sanctions to weaken and degrade Iran to enhance US military power in the Gulf.

In other words, China should give up its market driven economic expansion to share ‘responsibility’ in policing the world in which the US is supreme. Likewise, if we translate the meaning of the White House’s demand for China to “assume responsibility” for “rebalancing the world economy” it boils down to telling Beijing to reduce its dynamic growth, to allow the US to gain trade advantages to reduce (‘rebalance’) its trade deficit.

Alternating between positive symbolic gestures, such as references to the US and China as the (G-2), the two determining powers in the world, the White House has promoted a ‘united front’ with the EU against China’s supposedly ‘protectionism’, ‘currency manipulation’ and other ‘unfair’ economic practices. At international gatherings like the recent Copenhagen Conference on climate warming, the GATT meeting on trade liberalisation and the UN meeting on Iran, Washington attempts to satanise China as the main obstacle in reaching global accords, deflecting attention from the facts of Chinese compliance in setting standards superior to the US, on climate, opposing protectionism and seeking a negotiated settlement with Iran. Over time this imperial offensive to slow its decline has provoked an increasingly aggressive response as China gains confidence in its capacity to project power.

**Strategies to Counter Established Imperial Powers**

A rising economic powers’ most formidable and effective response to the established imperial powers’ efforts to block its advance is ... to keep on growing at double or triple the rate of growth of its declining adversary. Nothing challenges the ‘crises’ propaganda emitted by US embedded experts as the reports that, for example, in the first quarter of 2010 China grew at 12 per cent, six times the projected growth of the US. China’s policy toward US attacks and threats was reactive and defensive, rather than proactive and offensive especially during the first decade of its advance toward global power status.

China affirmed that its exchange rate was an ‘internal matter’ and even acceded to US demands and revalued its currency (2006 – 2008) by 20 per cent. Later China responded by pointing out that the currency brouha had little to do with the US.
trade deficit, pointing to the structural weaknesses in the US economy, namely to its low level of savings, capital formation and loss of competitiveness. Initially, China merely protested at US human rights attacks, either denying the charges or claiming they were internal affairs. By 2010, however, China went on the offensive, publishing its own documented inventory of US domestic human rights violations. When Washington protested at China’s violation of the human rights of Tibetan and Uigher separatists, China rebuked Washington’s interference in China’s internal affairs and threatened to take reprisals which led Washington to drop its crusade.

Beijing has encouraged the US MNCs to invest in China and export back to the US. Given the overall growth of China, the corporate penetration does not enhance US power rather it provides China with a lobby in Washington opposing protectionist measures. China does little to directly constrain US overseas expansion (since Washington does a good job at self-destruction) rather it focuses on enhancing its own economic based strategy of increasing overseas investments, borrowing technology and upgrading its high tech industries. China, despite pressure from Washington, refuses to join its sanctions campaign against Iran and develops investment ties in Afghanistan while the US military occupation costs billions and alienates most Afghans including its client regime. China refuses to lend support to Obama’s military centred strategy to buttress the empire. While attending ‘summits’ and bilateral conferences it refuses to make concessions which prejudice its overseas markets, without directly confronting the military mission promoted by Obama.

Most strikingly in Asia, the most dynamic countries, have ignored Washington’s warnings of China as a ‘security threat’ and expanded their trade and economic ties with their neighbour. Over time Asia is replacing the US as the fastest growing trading partner of Beijing. More recently in April 2010, India voiced concern over its trade imbalances with China and entered in negotiations to increase its exports. Overall the US imperial strategy to stem its decline and block China’s growth as a world power has failed. White House policymakers and financial detractors of Beijing have ignored the formidable foundations of Chinese empire building and its capacity to rectify internal imbalances to sustain dynamic expansion.
China as most previous newly emerging global powers has sought – in this case successfully and without resorting to force and conquest – to lay the foundations for a sustainable economic empire. The strategy includes a complex mix of domestic and overseas measures.

1. Overseas investments to secure strategic resources, especially energy, metals and food.

2. High levels of domestic investments to build up manufacturing capacity, introducing advanced technology to upgrade value added and lessen its dependence on imports of manufactured parts. Sustained high levels of investment are perceived as necessary to sustain export competitiveness.

3. Big push to upgrade the education of the labor force to achieve industrial supremacy – with the emphasis on engineers, scientists and industrial managers over and against stock speculators, investment bankers and lawyers. However, China’s efforts to upgrade its labour force will not succeed unless it recognises and integrates its 200 – 300 million migrant workers whose children are currently excluded from advanced public education in the major metropolises.

4. Multi-billion dollar investments in infrastructure, including dozens of new airports, high speed railroads and improved waterways linking the coastal regions to the interior, enhancing the dynamic growth of industry. As a result, there is less migration to the established coastal manufacturing centres resulting in some cases in labour scarcity, which in turn has led to a significant rise in wage levels and less geographic imbalances between old and new poles of development.

5. As skilled labour begins to replace unskilled labour and as dynamic growth proceeds up the ladder to higher value added production, so do wage levels and social consciousness, leading to pressure to diminish the gaping class inequalities.

6. As a result of class pressures from below evidenced in over 100,000 annual locally based protests, strikes and demonstrations, the government has slowly moved to lessen class tensions in part with investments in social welfare and greater social spending. China is shifting from buying US Treasury notes to investing in subsidising public health and education in rural areas. By bringing the state back into social development instead of relying on the market which has proved highly inefficient, it is upgrading rural labour for modern production processes. In summary, the pillars of China’s dynamic push for global power rest on the rebalancing the economy, upgrading its productive base, expanding its domestic market, pursuing growth and social stability while maximising access to strategic materials essential for production.
China’s Version of ‘Rebalancing’ its Economy: The New Contradictions

China’s rebalancing of its internal economy is accompanied by a relative shift in its economic relations with the US. Given the openly hostile posture adopted by Congressional leaders and the stagnant market in the US, China has increased its trade and investments with high growth Asia, to lessen its dependence on the US market and lower the risk of facing a protectionist squeeze. China while still a ‘creditor’ for the US is shifting toward using its trade surpluses in more productive (and lucrative) investments. Not all of China’s new overseas ventures have been successful as some of its ‘western educated’ investment managers have lost several billion dollars investing in Blackstone and other investment houses.

China’s dynamic ‘rebalancing of growth’ by strengthening the foundations for further external expansion faces greater dangers internally than from the outside. Within China, several changes in the internal class structure can endanger the stability of the system, as has been the case in other established empires. The big push for overseas expansion has created a powerful segment of the new public-private ruling class, which ignores the need for developing the internal market, especially investments in social development. Secondly, the entire ruling class and governing elite while paying lip service to the need for upgrading labour, building a social safety net in rural areas and extending social rights to health and education to migrant labour, refuse to increase their taxes to pay for it, resist any redistributive policies and defend their family privileges, creating conditions for heightened class tensions and conflict.

Equally deleterious to the future foundations of China’s external expansion is the emergence of a powerful speculator class, especially in the real estate, banking and local regional political elite which creates tendencies to bubble economics, which threaten the financial system. While the regime though its ultimate control over monetary policy and the financial system adopts policies to ‘deflate’ the bubble, it does nothing structurally which could undermine this sector of the ruling class. Moreover, speculation in real estate raises the cost of housing beyond the reach of most workers, while the inflated price of land leads to arbitrary dispossession of homeowners by local and regional officials linked to real estate speculators, fuelling mass unrest and in some cases violent protests.

The growth in power of importers, financial speculators and real estate billionaires could provide an opening for the leading sector of the US Empire – the
financial, real estate and insurance ruling class. Up to now the repeated instability and crises induced by these sectors in 1990 – 01, 2000 – 2002, 2007 – 2010, has undermined their ability to penetrate the Chinese economy. Given China’s continued growth, especially evident in the present, where it grew 9 per cent in 2009 and 12 per cent in 2010, while the US wallowed in and around zero growth, who has the most to lose if and when Washington decides to escalate into a trade war?

External Confrontation or Domestic Restructuring: Within the USA?

The US has a trade deficit with at least 91 other countries besides China, demonstrating that the problem is embedded in the structure of the US economy. Any punitive measure to restrict China’s exports to the US will only increase Washington’s deficit with other competitive exporters. A decline of US imports from China will not result in an increase for US manufacturers because of the under-capitalised nature of the latter, directly related to the pre-eminent position of finance capital in capturing and allocating savings. Moreover, ‘third countries’ can re-export Chinese made products, putting the US in the unenviable position of starting trade wars across the board or accepting the fact that a finance – commercial led economy is not competitive in today’s world economy.

China’s decision to incrementally divert its trade surplus from the purchase of US Treasury notes to more productive investments in developing its ‘hinterland’ and to strategic overseas ventures in raw materials and energy sectors will eventually force the US Treasury to raise interest rates to avoid large scale flight from the dollar. Rising interest rates may benefit currency traders, but could weaken any US recovery or plunge the country back into a depression. Nothing weakens a global empire more than having to repatriate overseas investments and constrain foreign lending to bolster a sliding domestic economy.

The pursuit of protectionist policies will have a major negative impact on US MNCs in China since the bulk of their products are exported to the US market: Washington will cut its nose to spite its face. Moreover, a trade war could spill over and adversely affect US auto corporations producing for the Chinese market. GM and Ford are far more profitable in China than the US where they are running in the red. A US trade war will have an initial negative impact on China until it adjusts and takes advantage of the potential 400 million consumers in the vast interior of the country. Moreover, Chinese economic policymakers are rapidly diversifying their trade toward Asia, Latin America, Africa, the Middle East, Russia and even in the EU. Trade protectionism may create a few jobs in some uncompetitive manufacturing sectors in the US but it may cost more jobs in the commercial sector (Wal-Mart)
which depends on low priced items to low income consumers.

The bellicose trade rhetoric on Capitol Hill and confrontational policies adopted by the White House are dangerous posturing, designed to deflect attention from the profound structural weaknesses of the domestic foundations of the empire. The deeply entrenched financial sector and the equally dominant military metaphysic which directs foreign policy have led the US down the steep slope of chronic economic crises, endless costly wars, deepening class and ethno-racial inequalities as well as declining living standards.

In the new competitive multi-polar world order, the US cannot successfully follow the earlier path of blocking a rising imperial power's access to strategic resources via colonial dictated boycotts. Not even in countries under US occupation, such as Iraq and Afghanistan, can the White House block China from signing lucrative investment and trade deals. With countries in the US sphere of influence, like Taiwan, South Korea and Japan, the rate of growth of trade and investment with China far exceeds that of the US. Short of a full scale unilateral military blockade, the US cannot contain China's rise as a world economic actor, a newly emerging imperial power.

The major weakness in China is internal, rooted in class divisions and class exploitation, which the currently entrenched political elite profoundly linked through family and economic ties, might ameliorate but cannot eliminate. Up to now China has been able to expand globally through a form of ‘social imperialism,’ distributing a portion of the wealth generated overseas to a growing urban middle class and to upwardly mobile managers, professionals, real estate speculators and regional party cadre. In contrast the US military directed overseas conquests have been costly with no economic returns and with long term damage to the civilian economy both in its internal and external manifestations. Iraq and Afghanistan do not reward the imperial treasury in anyway comparable to what England plundered from India, South Africa and Rhodesia (Zimbabwe). In a world increasingly based in market relations, colonial style wars have no economic future. Huge military budgets and hundreds of military bases and military based alliances with neo-colonial states are the least efficient means to compete successfully in a globalised market place. That is the reason why the US is a declining empire and China, with its market driven approach is a newly emerging empire of a ‘new sort’ (sui generis).

Transition from Empire to Republic?

In the face of the US’s demonstrable economic decline, can the ruling
elite recognise that its empire is not sustainable (let alone desirable)? The US can increase its exports to China and its share of world trade to balance its accounts, only if it carries out deep political and economic changes. Nothing short of a political and economic revolution can reverse the decline of the US. The key is to rebalance the US economy from finance driven to industrial centred: but any such shift requires class warfare against entrenched power on Wall Street and in Washington. What passes for the current US private manufacturing sector shows no appetite for such a historic change. Up to now manufacturers have bought into or been bought out by financial institutions: they have lost their distinct character as a productive sector.

Even assuming that there is a political shift toward re-industrialising the US, industry would have to lower its profits, increase its investments in applied research and development and vastly improve the quality of its products, to become competitive in domestic and overseas markets. Vast sums need to be re-allocated from wars, ‘marketing’ and speculation into social services like comprehensive national health plans high skill engineering and advanced industrial training to increase efficiency and competitiveness in the domestic market.

The transfer of a trillion dollars in military spending from colonial wars could easily finance the reconversion to a civilian economy producing quality goods for local and overseas consumption, including merchandise and commodities reducing toxic chemical and environmentally damaging sources of energy. Substituting trade missions for military bases, could increase inflows to the US and reduce outflows abroad. Ending political links and billion dollar subsidies to militarised states like Israel and lifting sanctions on major economic markets like Iran will decrease outflows from the US treasury and enhance economic inflows and opportunities for productive sectors throughout the 1.5 billion Muslim world.

Focusing investment on the growing market for clean energy and technology for domestic and overseas economies, will create new jobs and lower the cost of living while enhancing living standards. Confiscatory taxes on the millionaire/billionaires especially the entire ‘Wall Street” ruling elite, and a cap on all income over one million dollars can finance social security and comprehensive public national health system, which would reduce charges to industry and state. The transition from empire to republic requires a profound rebalancing of social power and a deep restructuring of the US economy. Only then will the US be able to compete economically with China in the world economy.

The transition from a militarist imperialist power, corroded by a corrupt
political elite beholden to a parasitic speculator economic elite, to a productive republic with a balanced economy and competitive sector requires fundamental political changes and a profound ideological revolution. To bring about this political and economic revolution requires a new configuration of the state which pursues public investments creating competitive industries, deepens the domestic market and expands social services. To expand overseas markets, Washington must end boycotts and military subservience to Israel, pushed by the pro-Israel fifth column embedded in top financial and political institutions and in control of the legislature.34

Ending military directed empire building will open the flow of public financing toward civilian technological innovations; ending restrictions on overseas technology sales can further reduce trade deficits, while upgrading local production to competitive levels. To more forward requires a head-on confrontation with the ideologues of finance capital and a rejection of their efforts to deflect attention from their role in destroying America. The ‘blame’ China campaign for what are in reality internally caused US structural imbalances must be confronted before it leads us into new, costly and self destructive trade wars or worse.

China’s internal ‘imbalances’ are profound and pervasive and over time can weaken the pillars of external expansion. China’s class inequalities, uneven regional development, private wealth and public corruption and discriminatory treatment of migrants as second grade citizens (a dual citizenship system) will be resolved internally as the socio-economic divisions translate into class struggle. Fundamental changes in the privatised health system toward a comprehensive national public health system are essential, but these changes require a revival of the class struggle against state and private vested interests(Tam 2010: 63-81).

Conclusion

As in the past, a declining imperial power faced with profound internal imbalances, a loss of competitiveness in merchandise trade and an overdependence on financial activities looks to political retribution, military alliances and trade restrictions to slow its demise.35 Propaganda, whipping up chauvinist emotions by scapegoating the rising new imperial state and forging military alliances to ‘encircle’ China have absolutely no impact. They have not stopped all of China’s neighbours from expanding economic ties with it. There are no prospects that this will change in the near future. China will push ahead with double digit growth. The US Empire will continue to wallow in chronic stagnation, unending wars and increased reliance on the tools of political subversion, promoting separatist regimes which predictably
collapse or are overthrown. The US unlike the established colonial powers of an earlier period cannot deny China access to strategic raw materials as was the case with Japan. We live in a post-colonial world where the vast majority of regimes will trade and invest with whoever pays the market price. China, unlike Japan, depends on securing markets via economic competitiveness – market power – not military conquest. Unlike Japan it has a vast multitude of workers; it need not conquer and exploit foreign colonised labour.

China’s market driven empire building is attuned to modern times, driven by an elite free to engage the world on its own terms, unlike the US plagued by financial speculators who eat away and erode the economy, ravaging industrial centres and turning abandoned houses into parking lots. If the US imperial elite at present is at a loss as to how it can contain China’s rise to world power, the mass of the US working class is at a loss as to how it can move from a military driven empire toward a productive republic. The economic decay and the entrenched political and social elites have effectively depoliticised discontent; systemic economic crises have been converted into private individual maladies. Over the long run, something will have to break; militarism and Zionist power will so bleed and isolate the United States that necessity will induce a forceful response … The longer it takes the more violent the rebirth of the republic. Empires do not die peacefully; nor do financial elites embedded in extraordinary wealth and power surrender their privileged positions peacefully. Only time will tell how long the American people will endure the dispossession of homes, employer servitude, fifth column colonisation and military driven empire building based on domestic decay.

Notes
1. According to the eminent scholar Frederick Clairmont, “for Hitler, India was a model of a predatory colonial empire, ‘The Soviet Union will be our India’ he jubilantly declaimed.” “Operation Sea Lion: Looking Back” letter to colleague at the Sorbonne, April 2010.
3. The neo-conservative manifests is emblematic of this rising power elite see The Project for the New American (2000).
5. China’s kin-class ruling class has produced several hundred billionaires and probably the worst inequalities in Asia. See the Financial Times (FT), 30 March 2010.
2010. On China’s increasing control of its economy see FT, 8 April 2010.

7. Almost in every issue of the *Financial Times* there is at least one article blaming China for “global imbalances” see FT, 31 March 2010; FT, 6 April 2010.

8. The US military budget has more than doubled over the past ten years, reaching one trillion dollars of which 70 per cent is current expenditures in ongoing wars and preparation for new wars, the rest for pensions and other payments for past wars.

9. Both in the case of Kenya and what was previously called Rhodesia (Zimbabwe), British imperial officials facing prolonged resistance agreed to an independence which included generous compensation for property losses to settlers.

10. This is especially the case where the Zionist power configuration in the government has promoted sanctions against Iran, Syria and earlier against Iraq. China has moved in with a 5 billion dollar investment in Iranian gas fields, one among many new investments, *Global Research*, 8 March 2010.

11. By 2010 China, as well as India to a great extent, was replacing the US as the main importer of Saudi oil. FT, 22 February 2010.

12. Per capita Israel has the biggest armed forces, the most fighter planes and nuclear bombs in the world. Next to the US it has invaded more countries than all the rest of the Middle East countries combined.

13. Beginning with President Clinton (2000) and continuing through Obama, the US has poured over 6 billion dollars into Colombia, backing the military, secret police and death squads. The US has over a thousand military advisers and contract mercenaries operating in Colombia. The military agreements with Brazil and the rest of Latin America are on a vastly lesser scale of intrusion.

14. China’s displacement of the US as the dominant trading partner in major Latin American markets received only a tiny fraction of the attention that any visit by a prominent Israeli official.

15. US clients were overthrown in Kyrgyzstan (2010), defeated
electorally in the Ukraine (2009) and confronted by mass opposition after a disastrous military adventure in Georgia.

17. FT, 6 April 2010 provides an account of the US Senate’s blame China with charges of “currency manipulation.”
18. A typical report on “bubble fears” is in the FT, 22 February 2010. Two months later China had “cooled off” the bubble by forcing bank lending down by 43 per cent in the first quarter. Al Jazeera, 15 April 2010.
19. Contrary to the charges of neglecting its domestic market, it is growing 15 per cent over the past year. China’s imports are growing faster than their exports. See O’Neill (2010).
20. FT, 12 April 2010.
22. At a G20 meeting the US circulated a letter condemning China but only five countries signed it. The FT headline was deceptive: “G20 attack China on exchange rate,” FT, 31 March 2010.
23. China is steaming ahead on clean energy, over taking the US during 2009 to become the leading investor in renewable energy technologies, a 79 per cent rise in installed capacity in 5 years. BBC News, 25 March 2010.
27. The dynamic push to secure raw materials is illustrated by massive investments in iron mines in Russia and Africa, FT, 13 April 2010.
29. US-China trade now represents only 12 per cent of total Chinese trade. FT, 30 March 2010.
31. FT, 13 April 2010.
32. “China vows to tackle the social divide,” Al Jazeera, 5 March 2010.
33. For a similar call to ‘rebalance’ the British economy from finance to manufacturing see Ken Coults and Robert Rowthorne U.K.: Either a Large Trade Surplus or Grim Prospects for Profits and the Fiscal Deficit cited in the FT, 14 April 2010.
34. By a margin of over 300 to 10 US Congress people signed a letter scripted by the pro Israel AIPAC backing Israel and demanding Obama retracts his “pressure” on Israel to desist from seizing Palestinian property. See FT, 24/25 April 2010.


References


Petras, James (n.d): “The US and China: One Side is losing, the Other is Winning” and “US and China: Provoking the Creditor, Hugging the Holyman,” petras.lahaine.org


Roach, Stephan (2010): “Blaming China will not solve America's Problems,” FT, 30 March


Yao, Yang (2010): “Renmibi Adjusted will not cure trade imbalances,” FT, 12 April.
Anyone who thinks there is going to be any significant change in the status quo in Israel/Palestine is suffering from multiple delusions. The Israeli government is dead set against the creation of a Palestinian state, even a weak Palestinian state, and this view has the support of a very large majority of the Israeli Jews. The Palestinian leaders are more divided. But even the most accommodating are not willing even to consider anything less than a state based on the 1967 frontiers, with East Jerusalem as its capital. The rest of the world cannot budge either side. This is called deadlock.

The question is who gains and who loses by deadlock? The Israeli political elite seem convinced that they will gain. There is a very large group who are so resolutely irredentist that they would consider a peace agreement a veritable disaster. The Israelis have always thought that if they dug in their heels, eventually the rest of the world (including even the Arab Palestinians) would yield to what they call “realities on the ground.” This policy has worked now for a long time. So why change it? However, an increasing chorus of friendly supporters are warning them that the world political climate has
been changing, and not to the advantage of the Israelis. They are pointing out that the alternative to a two-state solution is a one-state solution and that in a single state Jews will very soon become a minority of the population. In this case, if there is universal suffrage, the state can no longer be a “Jewish state.” And if suffrage is denied to non-Jews, the state cannot be considered even remotely democratic.

Just last month, one very well-known friendly supporter, Thomas L. Friedman, wrote an op-ed in *The New York Times*, which caused a big stir. Entitled “Driving Drunk in Jerusalem,” he reprimanded U.S. Vice-President Joseph Biden for not leaving Israel immediately when his arrival was greeted with the insulting announcement of new Jewish housing being planned in East Jerusalem. Friedman said Biden should have told Israelis: “Friends don’t let friends drive drunk. And right now, you’re driving drunk.” A second long-time friendly supporter, Leslie H. Gelb, published a blog entitled “Israel Plays with Fire.” In it, he predicted: “Israeli leaders will not like the way their little power slap [of Biden] plays out.”

So why didn’t Biden do what Friedman suggests? There are two kinds of answers. One was by Uri Avnery, one of the few Israelis consistently critical of his government’s positions on these issues. He said that the Israeli government once again spat in the face of the United States. He closed his article with the old saying: “When you spit in the face of a weakling, he pretends it is raining. Does this apply to the president of the most powerful country in the world?”

The second is to talk of the realities of U.S. politics. Obama, like U.S. presidents before him, hasn’t yet done anything serious except reiterate eternal support for Israel, even though many Israelis think that the few overtures to the Arabs that he does make (like his speech in Cairo) is already too much. Just recently, the Israeli Prime Minister’s brother-in-law went on the Israeli Army radio to accuse Obama of being an anti-Semite because of that speech.

The U.S. government does not do anything much, and never has, because
support for Israel's hard line is widespread in the United States. It is not merely the strength of what is an important and aggressive pro-Israeli lobby, AIPAC. It is not only that the Christian right has adopted a super pro-Zionist position. It is that leading Democratic politicians are deeply committed to such support, and Obama has enough problems with many Democratic politicians that he is not anxious to struggle with them on yet one more front.

Will the U.S. government continue this policy? Support for Israel has slumped seriously in western Europe in the last decade, because of the obduracy, the callousness, and the oppressiveness of Israeli behaviour towards the Palestinian Arabs – most notably, but not only, in Gaza. Support for Israeli hard line positions has weakened also among significant segments of the Jewish population in the United States. But now it seems there may be a new source of criticism.

Marc Perry has revealed in an article in Foreign Policy that, on 16 January a team of senior officers from the U.S. Central Command or CENTCOM (responsible for the Middle East) briefed the Chairman of the Joint Chiefs of Staff, Adm. Michael Mullen, on the worries of Gen. David Petraeus, head of CENTCOM, about the Israeli-Palestinian deadlock. It seems that Petraeus and his officers have been getting a consistently critical message from all the Arab leaders they meet. Petraeus apparently concluded: “America was not only viewed as weak, but its military posture in the region was eroding.” In short, the deadlock was hurting the U.S. military’s efforts in Iraq and Afghanistan.

Perry’s conclusion: There are several very powerful lobbies in Washington—the National Rifle Association, the American Medical Association, the lawyers, and AIPAC of course. “But no lobby is as important, or as powerful, as the U.S. military.” So Petraeus was warning Mullen: “America’s relationship with Israel is important, but not as important as the lives of American soldiers.” Since Petraeus was put into his position by George W. Bush and has been seen by the American right as a tough hard-liner on the military role of the United States in the Middle East, they can hardly now accuse him of being a sell-out.

Israeli intransigence has paid in the short run. But it is suicidal in the middle run – as Friedman and Gelb were implicitly pointing out, and Petraeus was underlining. The Israeli hardliners have been ready to denounce anyone who doesn’t support them 101 per cent. But if they think they can win by now calling Friedman and Gelb “self-hating Jews” and Petraeus an “anti-Semite,” they are even more deluded than I think they are. Gelb ended his blog by warning: “This is no time for Israel’s leaders to test the depth and
stability of America’s support for their country.”

Netanyahu went to Washington to see if he could appease an angry President Obama. It seems he didn’t succeed. The world is moving inexorably towards the one-state solution (as in South Africa), whether or not this is wise, whether or not the U.S. government is ready to take a truly tough line with the Israelis, and whether or not the Israeli leadership finds it remotely acceptable.

© Immanuel Wallerstein, distributed by Agence Global
America’s Permanent War Agenda

STEPHEN LENDMAN

Post-9/11, Dick Cheney warned of wars that won’t end in our lifetime. Former CIA Director James Woolsey said America “is engaged in World War IV, and it could continue for years....This fourth world war, I think, will last considerably longer than either World Wars I or II did for us.” GHW Bush called it a ‘New World Order’ in his 11 September, 1990 address to a joint session of Congress as he prepared the public for Operation Desert Storm. The Pentagon called it the ‘long war’ in its 2006 Quadrennial Defense Review (QDR), what past administrations waged every year without exception since the republic’s birth, at home and abroad. Obama is just the latest of America’s warrior presidents that included Washington, Madison, Jackson, Lincoln, T. Roosevelt, Wilson, F. Roosevelt, Truman, Johnson, Nixon, Reagan, GHW Bush, Clinton, and GW Bush preceding him. This article covers WW II and its aftermath history of imperial wars for unchallengeable global dominance throughout a period when America had and still has no enemies. Then why fight them?

Wars Without End

America glorifies wars in the name of peace, what historian Charles Beard (1874 - 1948) called “perpetual war for perpetual peace” in describing the Roosevelt and Truman administrations’ foreign policies - what concerned the Federation of American Scientists when it catalogued about 200 post-1945 conflicts in which America was, and still is, the aggressor.

Historian Gore Vidal used Beard’s phrase in titling his 2002 book, Perpetual War for Perpetual Peace and saying: “our rulers for more than half a century have made sure that we are never to be told the truth about anything that our government has done to other people, not to mention our own.” In his 2002 book Dreaming War he compared GW Bush’s imperial ambitions to WW II and the 1947 Truman Doctrine’s pledge: “To support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.”

It was to keep Greece and Turkey from going communist, but it applied globally and initiated America’s National Security State strategy that included:
— NATO in 1949 for offense, not defense;
— NSC-68 against Soviet Russia in 1950 to ‘contain’ what was called an enemy “unlike previous aspirants to hegemony....animated by a new fanatic faith, antithetical to our own (wishing to) impose its absolute authority over the rest of the world” at a time America was the only global superpower, the Soviet Union lay in ruins, threatened no one, and needed years to regain normality.

Then came,
— Truman’s instigated 25 June, 1950 war after the DPRK retaliated in force following months of ROK provocations, what Americans call the Korean War, South Koreans the 6-2-5 War (meaning 25 June), and the North its “fatherland liberation war” that left it in ruins, the South occupied to this day, and it was only the mid-century beginning as succeeding administrations continued an agenda for what’s now called “full spectrum dominance” for global US hegemony.

It worried historian Harry Elmer Barnes (1889 - 1968) in his 1953 collection of leading historical revisionists’ essays titled, “Perpetual War for Perpetual Peace: A Critical Examination of the Foreign Policy of Franklin Delano Roosevelt and It’s Aftermath” in which he wrote in the preface:

If trends continue as they have during the last fifteen years, we shall soon reach this point of no return, and can only anticipate interminable wars, disguised as noble gestures for peace. Such an era could only culminate in a third world war which might well, as Arnold J. Toynbee has suggested, leave only the pygmies in remote jungles, or even the apes and ants, to carry on ‘the cultural traditions’ of mankind.

He cited how America’s ‘needless’ entry into two world wars converted its pre-1914 dream “into a nightmare of fear, regimentation, destruction, insecurity, inflation, and ultimate insolvency.” He debunked the cause and merits of WW I, “the folly of our entering it, and the disastrous results that followed.” He cited “popular fictions” about WW II, the injustices to Germany and Austria that caused it, the war Roosevelt wanted early in the 1930s as captured Polish documents and the censored Forrestal Diaries confirmed.

Before it began, he wanted US neutrality legislation ended, then after September 1939, he dropped any pretense by supporting Britain and France and opposing peace efforts after Poland’s defeat. His June 1940 “dagger in the back” address was a de facto act of war by beginning vast amounts of weapons and munitions shipments to Britain after Dunkirk, followed by the September 1940 (peacetime) Selective Service Act, the first in US history, in preparation for what close advisor Harry Hopkins told Churchill in January 1941 that: “The President is determined that we shall win the
war together. Make no mistake about it," followed by Chief of Naval Operations, Admiral Harold Stark telling his fleet commanders that “The question of our entry into the war now seems to be when, and not whether.”

Only a pretext was needed, first by trying and failing to provoke Germany, then deciding Japan would be attacked, whether or not it struck US ships, territory, or forces in the Pacific. In a 4 July radio broadcast, Roosevelt said: “solemnly (understand) that the United States will never survive as a happy and fertile oasis of liberty surrounded by a cruel desert of dictatorship.” Then his 25 July Executive Order froze Japanese assets, stating it was: “....To prevent the use of the financial facilities of the United States in trade between Japan and the United States in ways harmful to national defense and American interests, to prevent the liquidation in the United States of assets obtained by duress or conquest, and to curb subversive activities in the United States.” Britain followed suit the next day, and Roosevelt nationalised the Philippines’ armed forces “as Commander-in-Chief of the Army and Navy of the United States” with dominion over its Asian colony.

As early as 1937, he planned a naval blockade, but dropped the idea after an adverse reaction. It resurfaced in 1938 because he knew strangling Japan economically assured war. Throughout his administration, from 1933 through late 1941, he spurned Japanese peace overtures that would have protected all American interests in the Pacific. By 25 November, the final die was cast. America chose war, and on that day, War Secretary Henry Stimson wrote in his diary that it depended only on how to manoeuvre Japan to attack with the lowest number of US casualties. Tokyo had no other recourse, knowing it couldn’t win, but hoping for a negotiated settlement to solidify whatever Asian control it could retain. It failed, lost the war, and remains an occupied US vassal state.

In the late 1930s, Roosevelt encouraged a Japanese attack by stationing the Pacific Fleet at Pearl Harbour against the advice of two key admirals, James Richardson, Pacific Fleet commander and Harold Stark, Chief of Naval Operations until March 1942. Selling arms to Japan’s enemies and an embargo assured war, and US cable documentation confirmed it was coming. Breaking the Japanese code let Britain and Washington track its fleet from the Kurile Islands to its North Pacific refuelling point en route to Pearl Harbour on or about 7 December.

At a 5 December cabinet meeting, Navy Secretary Frank Knox said: “Well, you know Mr. President, we know where the Japanese fleet is?”

“Yes, I know,” responded Roosevelt, saying "Well, you tell them what it is Frank,” who explained where it was, where it was heading until Roosevelt
interrupted adding that perfect information wasn’t available in spite of navy reports confirming it in Pacific waters heading toward Hawaii. On 6 December, officials awaited the attack until it came the next morning at 7:55AM Hawaii time.

It was a day of infamy and deceit, with Pearl Harbour’s commander, Admiral HE Kimmel, denied crucial intelligence to let it proceed unimpeded, arouse public anger, and give FDR his war - one decoded Japanese messages showed they didn’t want but Roosevelt gave them no choice. Like other presidents, he lied the country into war against the wishes of 80 per cent of the public, at a cost of millions of lives in both theatres, and a policy henceforth of perpetual wars for perpetual peace to achieve unchallengeable US dominance. In the modern era, FDR’s foreign policy began it, leaving a bankrupted moral and political legacy active to this day.

Consider also what revisionist historians say about Lincoln - that he provoked the Fort Sumpter (in Charleston, SC harbour) attack and began the Civil War for economic reasons, not to end slavery. Consider also that ordinary people and soldiers don’t want war, just their leaders and commanders - to wit, Christmas 1914 during WW I when German and British troops stopped fighting, didn’t know why they were doing it, then defied orders by fraternising with each other for two weeks despite risking being court-martialed. Unable to stop them, their officers joined them in a celebratory pause that didn’t stop another three years of carnage, millions of lost lives, and post-war policies that assured WW II. The lesson is clear. All wars are immoral, unnecessary, and only happen when one side provokes the other for reasons unrelated to national security threats.

In his seminal book, A Century of War Gabriel Kolko called the twentieth century: “the bloodiest in all history. More than 170 million people were killed,” 70 per cent of whom in WW II were civilians, “mainly (from) the bombing of cities by Great Britain and America.” There was nothing good about “the good war” nor any others. In Kolko’s later book Another Century of War, he stressed how America contributes to much of the world’s disorder through its interventions and as the world’s largest arms producer and exporter. Post-WW II, the US became a global menace, today claiming ‘terrorism’ as the main threat - a bogus fiction to justify militarism, perpetual wars heading the nation for moral, political and economic bankruptcy. According to Kolko: “The way America’s leaders are running the nation’s foreign policy is not creating peace or security at home or stability abroad. The reverse is the case: its interventions have been counterproductive.” In his newest book, The World in Crisis, Kolko believes that America’s decline “began after the Korean War, was continued in relation to Cuba, and was greatly accelerated in Vietnam - but (GW
Bush did) much to exacerbate it further.” He also thinks: the US power is declining everywhere:

— the world is no longer dependent on its economic might because other nations like China and India are growing and may someday equal or surpass America;

— after the Soviet Union’s collapse, “the absence of identifiable foes has been a disaster, leaving the US aimless - (so) it picks and chooses enemies: rag-tag Afghan tribesmen, Iraqis or all sorts, perhaps China, perhaps Russia....South American caudillos,” whatever bogus ones can be invented for imperial wars, but the justification is wearing thin, and the burgeoning cost unsustainable. The result is that America’s “century of domination” is now ending.

America’s Permanent War Economy

It’s how Seymour Melman (1917-2004) characterised it in his books and frequent writings on America’s military-industrial complex. One of his last articles was titled “In the Grip of a Permanent War Economy (CounterPunch, 15 March, 2003) in which he said: “at the start of the twenty-first century, every major aspect of American life is being shaped by our Permanent War Economy.” He then examined the horrific toll: ...a de-industrialised nation, the result of decades of shifting production abroad leaving unions and communities ‘decimated,’ ...government financing and promoting “every kind of war industry and foreign investing by US firms;” war priorities take precedence over essential homeland needs;...America’s “Permanent War Economy....has endured since the end of World War II....Since then the US has been at war - somewhere - every year, in Korea, Nicaragua, Vietnam, the Balkans, Afghanistan - all this to the accompaniment of shorter military forays in Africa, Chile, Grenada, Panama,” and increasingly at home against its own people;... “how to make war” takes precedence over everything leaving no “public space....on how to improve the quality of our lives;” ..."Shortages of housing have caused a swelling of the homeless population in every major city (because) State and city governments across the country have become trained to bend to the needs of the military.....;” the Chicago Coalition for the Homeless (CCH) currently estimates over 21,000 are on city streets nightly, and during winter months it’s dangerous; ...the result is a nation of growing millions of poor, disadvantaged, uneducated, and “disconnected from society’s mainstream, restless and unhappy, frustrated, angry, and sad;”..."State Capitalism” characterises America’s government - business partnership running a war economy for greater power and wealth at the expense of a nation in decline, corrupted leadership, lost industrialisation, crumbling infrastructure, and suffering millions on their own, uncared for, unwanted, ignored,
and forgotten.

Melman stressed that: “Further evasion is out of order. We must come to grips with America’s State Capitalism and its Permanent War Economy.” Re-industrialisation is essential “to restore jobs and production competence -industry by industry.” “Failing that, there is no hope for any constructive exit,” for the nation or its people.

*Dwight Eisenhower’s 17 January, 1961 Address to the Nation*

It was his farewell address delivered 30 years to the day before Operation Desert Storm began in which he warned about the “military-industrial complex,” citing the “grave implications” of a “coalition of the military and industrialists who profit by manufacturing arms and selling them to the government.” He stated “we must guard against the acquisition of unwarranted influence....by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.”

He also said that: “Every gun that is made, every war ship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, from those who are cold and not clothed,” the result of what some analysts call the “iron triangle” of Congress, the Pentagon, and the defense industry that includes producers of sophisticated technology for digital age warfare of a kind Eisenhower never imagined.

In combination, they’ve addicted America to war, not for threats, but for the power and profits that result. In his book ‘The Political Economy of US Militarism,’ Professor Ismael Hossein-Zadeh refers to “parasitic military imperialism,” consuming over 40 per cent of the national tax revenue at the expense of unmet human needs. Morality aside, it’s not justified economically. It’s wasteful, inefficient, comes at a great cost, and over time is ineffective and self-destructive. “The control over huge amounts of national resources tends to lead to an undermining of democratic values, a perversion of republican principles and a reduction of civil freedoms, as well as to the political corruption at home and abroad.” Moreover, “The constant need for international conflicts makes (America’s) military imperialism....more dangerous than the imperial powers of the past.” It’s made war-making a giant enterprise “not only for expansionism but, in fact, for the survival of this empire,” yet consider the fallout Hossein-Zadeh examined in a 10 July, 2007 article titled, “Parasitic Imperialism:”

— the redistribution of income and resources to the wealthy;
— the undermining of physical and human capital;
— the nation’s increased vulnerability to natural disasters;
— economic and financial instability, the result of the growing national
debt now totally out of control;
— less foreign market potential for non-military ventures;
— the undermining of civil liberties and democratic values; and
— “foster(ing) a dependence on or addiction to military spending, and,
therefore...a spiraling vicious circle of (unsustainable) war and militarism”
that’s sucking the nation into decline.

America’s Post-WW II Imperial Grand Strategy

Post-WW II, America emerged as the world’s sole superpower - economically,
politically and militarily, given the war’s toll on East Asia, Europe and Soviet Russia.
In his book, The Cold War and the New Imperialism, Professor Henry Heller
examined it with emphasis on the Cold War, America’s containment policy, and its
efforts against leftist forces in support of fascist elements on the right at both state
and local levels. The Soviet Union controlled Eastern and Central Europe while Mao’s
War of Liberation defeated Chiang Kai-Shek Nationalists. Cold War confrontation
followed. It pitted US imperialism against an opposing ideology, the aim being which
side would triumph or could both co-exist peacefully and avoid conflict.

War was never an option given each side’s nuclear strength under a policy of
“mutually assured destruction” (MAD). In addition, post-Stalinist Russia began
reforms and expanded its sphere of influence. It wasn’t to destroy the West, but to
coop exist equally. America and Soviet Russia only competed for developing country
allies to keep them from the opposing camp, so neither would be dominated by the
other or more vulnerable to being isolated, marginalized, or shut out from world
markets and influence.

US Imperialism Post-WW II

James Petras and others have said behind every imperial war is a great lie, the
more often repeated the more likely to be believed because ordinary people want
peace, not conflict, so it’s vital to convince them. In the 1950s, the Eisenhower
administration overthrew two popularly elected governments in Iran and Guatemala,
and sought greater influence in Africa and Southeast Asia as anti-colonial movements
gained strength. On 1 January, 1959 Fidel Castro’s socialist revolution ousted the
US-backed Batista dictatorship. He then survived America’s failed 1961 Bay of Pigs
invasion, but faced decades of US hostility, including an embargo, destabilisation,
intimidation, and hundreds of attempts to kill him, unsuccessful so Cuba is still free from US dominance, but hardly safe from its northern hegemon.

In the 1950s, America also backed French Southeast Asian imperialism until defeat at Dien Bien Phu drove them out. A repressive South Vietnamese client regime was established at the same time, supported by US military advisors teaching war and repression tactics. Unifying North and South elections were blocked, and direct intervention began in 1961. In 1958, Washington also subverted Laotian democracy and incited civil war. Cambodia as well was targeted but remained free.

Early in his administration, Kennedy intervened, but a new James Douglass book titled *JFK and the Unspeakable: Why He Died and Why It Matters* says without conviction because he opposed using force. After the Joint Chiefs demanded troops for Laos, he told his Geneva Conference representative, Averell Harriman: “Did you understand? I want a negotiated settlement in Laos. I don’t want to put troops in.” He wouldn’t agree to using nuclear weapons in Berlin and Southeast Asia and refused to bomb or invade Cuba during the 1962 missile crisis, saying afterwards that “I never had the slightest intention of doing so.”

In June 1963 (a few months before his assassination), he called for the abolition of nuclear weapons, ending the Cold War, and moving forward for
“general and complete disarmament.” In October 1963, he signed National Security Action Memorandum (NSAM) 263 to withdraw 1,000 US forces from Vietnam by year end and all of them by 1965. He said he wanted “to splinter the CIA in a thousand pieces and scatter it to the winds.” He wanted peace, not conflicts. It cost him his life, and future presidents got the message.

Johnson resumed Southeast Asian escalation to establish client regimes and military bases across East and South Asia, encircle China, and crush nationalist anti-imperial movements. The Indochinese war engulfed Cambodia and Laos as well under Johnson and Nixon. It killed three to four million, inflicted vast amounts of destruction, caused incalculable human suffering, got America to sign a peace treaty in January 1973, but war continued until its clients were defeated in April 1975.

Prior to Reagan’s election, the ‘Vietnam syndrome’ and easing Cold War tensions and disarmament efforts alarmed militarists to fear defense spending cuts detrimental to profits. A propaganda campaign exaggerated bogus threats, manipulated intelligence to heighten fear, and got the Reagan administration to approve large military spending increases to confront ‘Soviet expansionism’ at a time it was transitioning from Brezhnev, Andropov, and Chernenko to Gorbachev in 1985, followed by perestroika in 1986, glasnost in 1988, border openings and the Berlin Wall’s collapse in 1989, then the Soviet Union’s dissolution in 1991 - a new threat militarists feared would bring large, not to be tolerated, defense budgets cuts.

In the late 1980s, however, leading figures, including Henry Kissinger, Zbigniew Brzezinski, Samuel Huntington, and Albert Wohlstetter alleged Third World conflicts threatened US interests in the Middle East, Mediterranean, and Western Pacific, and recommended deterrence to stop them. Joint Chiefs Chairman Colin Powell and Defense Secretary Dick Cheney agreed. Others wanted large defense cuts for a peace dividend, including Johnson’s DOD chief Robert McNamara who proposed reductions up to 50 per cent.

Throughout the 1989 - 1999 period, mostly under Bill Clinton, US-instigated provocations, sanctions, and armed insurrections support involved
America in 134 military operations according to the Federation of American Scientists. The most egregious was Clinton’s bombing and dismemberment of Yugoslavia, an act playwright Harold Pinter called: “barbaric” and despicable, “another blatant and brutal assertion of US power using NATO as its missile” to consolidate “American domination of Europe.” Worse was yet to come with the election of George Bush, America’s worst president in a country that never had a good one and never will as it’s now governed.

Long before 9/11, Middle East restructuring plans were based on bogus terrorist, rogue state, and “clash of civilizations” threats by hordes of Islamofascists, including the Palestinian resistance, the Islamic Republic of Iran, and Saddam Hussein targeted in the 1990 - 91 Gulf War, followed by years of devastating sanctions, then ousted by GW Bush in 2003. Iraq was destroyed, occupied and balkanised. Afghanistan, Pakistan, and Iran face similar threats, the common thread being dominating Eurasia through endless conflicts and increased military spending for war profiteering bounties. 11 September assured it, and got Michelle Ciarrocca of the Arms Trade Resource Center, in September 2002 to say: “The whole mind set of military spending changed on Sept. 11. The most fundamental thing about defense spending is that threats drive (it). It’s now going to be easier to fund almost anything.”

Hossein-Zadeh investigated the growing role of private contractors creating a “built-in propensity to war that makes the US military-industrial complex a menace to world peace and stability, a force of death and destruction,” as virulent under Obama as George Bush. The fallout includes a burgeoning national debt, loss of civil liberties and democratic freedoms, erosion of social services, collapse of the dollar, America already in decline, its coming loss of preeminence as a world power, its potential bankruptcy, perhaps demise in its present form and the possibility of WW III.

America’s Illegal Wars of Aggression - The “Supreme Crime”

All US post-WW II conflicts were premeditated wars of aggression against nations posing no threat to America what Justice Robert Jackson at Nuremberg called: the “supreme international crime differing only from other war crimes in that it contains within itself the accumulated evil of the whole.” Canadian Law Professor Michael Mandel explained America’s guilt in his superb 2004 book, How America Gets Away with Murder: Illegal Wars, Collateral Damage, and Crimes Against Humanity, his main theme being Jackson’s Nuremberg “supreme crime” declaration, as relevant now as then.
Tragically, as Edward Herman observed in reviewing Mandel’s book: “The problem for the United States (and the world) has been that this country is now in the business of aggression and its commission of the “supreme crime” is standard policy, thereby bringing the “scourge of war” across the globe in direct violation of the UN charter.” “The Purposes of the United Nations are:

(1) To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.”

Conspiratorially with NATO and Israel, America willfully and repeatedly violates international and US laws, punishes its victims, absolves itself, and since WW II has directly or indirectly murdered millions of people globally, mostly civilian non-combatants.

**Barack Obama - America’s New Warrior President**

America glorifies conflicts and the righteousness of waging them, packaged as liberating ones for democracy, freedom, justice, and the best of all possible worlds. Obama is just the latest in a long line of warrior leaders promising peace by waging war, justifying them by bogus threats, and calling pacifism unpatriotic to further an imperial agenda for greater wealth, power, and unchallengeable global dominance. In opposition to his announced Afghanistan surge, peace activists gathered across from the White House on 12 December for an “Emergency Anti-Escalation Rally” organised by “End US Wars”- a new coalition of grassroots anti-war organisations. Speakers included Kathy Kelly, David Swanson, Granny D (age 100 on 24 January, 2010) former Senator Mike Gravel (1969 - 1981), and former Representative and 2008 Green Party presidential candidate Cynthia McKinney, among others. This writer was asked to prepare a short commentary to be read to the crowd. Updated, it’s reproduced below:

**Obama’s Permanent War Strategy**

Disingenuously calling Afghanistan a “war of necessity, not choice,” Obama ordered 30,000 more troops deployed over the next six months with perhaps many more to follow. In one of his most defining decisions, he’s more than doubled the force count since taking office, angered a majority in the
country, and continues his permanent war agenda while calling himself a man of peace. Next target, Yemen, and its newest, occupied Haiti for plunder, exploitation, and very likely killing unwanted Haitians by neglect, starvation, disease, and face-to-face confrontations if they resist. As a candidate, Obama campaigned against imperial militarism, promised limited escalation only, and pledged to remove all combat troops from Iraq by 31 August, 2010. That was then. This is now, and consider what he has in mind - the permanent occupation of Iraq, Afghanistan and more.

Besides the Afghan escalation, he’s also destabilising Pakistan to balkanise both countries, weakening them to control the Caspian Sea’s oil and gas riches and their energy routes to secured ports for export. The strategy includes encircling Russia, China, and Iran, obstructing their solidarity and cohesion, defusing a feared geopolitical alliance, weakening the Iranian government, perhaps attacking its nuclear sites, eliminating Israel’s main regional rival, and securing unchallenged Eurasian dominance over this resource rich part of the world that includes China, Russia, the Middle East, and Indian subcontinent. Like George Bush, Obama plans permanent war and more military spending than all other nations combined at a time America has no enemies. He promised change and betrayed us. Grassroots activism must stop this madness and make America a nation again to be proud of. The alternative is too grim to imagine. Over 50 years ago, Bertrand Russell (1872 - 1970) warned: “Shall we put an end to the human race, or shall mankind renounce war” and live in peace, because we have no other choice.

© Stephen Lendman
On 18 July 2005, President George W. Bush and Prime Minister Manmohan Singh stood on the White House grounds to announce their intention to implement a civil nuclear cooperation agreement. To do so would require overcoming significant political obstacles in both countries and engineering major changes in the international rules of nuclear commerce. President Bush accepted these challenges, noting that, “as a responsible state with advanced nuclear technology, India should acquire the same benefits and advantages as other such states.” For his part, Prime Minister Manmohan Singh promised that “India would reciprocally agree that it would be ready to assume the same responsibilities and practices...as other leading countries with advanced nuclear technology.”

U.S. ties with India improved greatly during the second Clinton and first Bush administrations. This momentum could have accelerated with increased cooperation on space projects, infrastructure, or water management. The White House could have focused on noncontroversial sectors to expand trade and investment. But President Bush became convinced that the next step should be the hardest: changing the global nuclear order to benefit India. This step would prove to be so time-consuming that other major initiatives would have to await their turn.

The Bush administration decided to proceed without demanding that New Delhi limit in any meaningful way its nuclear weapon options. Most arms control and non proliferation NGOs reacted negatively. The push for favourable votes on Capitol Hill was led by big business. Ron Sommers, the president of the U.S.-India Business Council, an affiliate of the U.S. Chamber of Commerce, estimated that the agreement would create up to 27,000 “high quality” jobs per year. Prominent U.S. firms such as Boeing, Bechtel, and AIG strongly supported this initiative, as did other major corporations wishing
to increase profits in India.

The arguments in favour - and the political liabilities of opposition - proved persuasive on Capitol Hill, which approved the deal in 2006. After the votes were finally tallied, Sommers predicted: A massive scope for commercial opportunity between US and Indian companies will also be the result, valued at more than $150 billion over the next 30 years, spurring a revival of the nuclear power industries of both countries that will create as many as a quarter million high-tech U.S. jobs for generations to come.

Opposition from both ends of the political spectrum was more strenuous in India, where legislative approval was finally secured in July 2008.

Perhaps the biggest obstacle to the deal was the Nuclear Suppliers Group, the world’s only cartel designed to prevent profit taking when weaker constraints on proliferation were likely to result. The NSG requires consensus for rule changes, and one of its cardinal rules was to make full-scope safeguards in the recipient country a condition of nuclear commerce. This rule previously blocked nuclear sales to India, Pakistan and Israel. Despite many reservations, the NSG signed off on the deal in September 2008. The lure of the Indian market and the lobbying efforts of prospective profit takers – especially Russia, France, and the United States – proved decisive.

Five years later, the U.S.-India nuclear deal looks increasingly like the gift that keeps on taking. The promise of U.S. jobs and profits from nuclear commerce has been unrealized. The Indian government still has not convinced the Lok Sabha to pass legislation limiting liability in the event of a nuclear accident - a necessary condition for U.S. firms to engage in nuclear power plant construction in India. This legislation, which has been bruited about for ten years, is haunted by the ghosts of the 1984 Union Carbide disaster in Bhopal in which a gas leak and subsequent explosion caused approximately 4,000 deaths and as many crippling injuries. The wheels of justice can turn slowly in India: a verdict in the 23-year long trial is reportedly near. Union Carbide paid $450 million in 1989 to compensate victims for damages. The current Indian draft legislation would limit damages in the event of a nuclear accident to $100 million.

Skeptics of the US-India civil nuclear deal confidently predicted the difficulty in passing meaningful liability limitation legislation and the remote likelihood of significant U.S. jobs and profits from nuclear commerce, but to no avail. The real motivation behind the Bush administration’s initiative lay elsewhere, in forging a strong strategic partnership with India and facilitating Delhi’s ability to become a counterweight to China. The removal
of India’s nuclear stigma served both purposes. For corporate boosters of the deal, nuclear commerce was a loss leader: support was a necessary business expense for U.S. firms hoping for greater market share in other sectors, including defence sales.

So far, the biggest gift recipients of the U.S.-India nuclear deal have been Russia and France. The biggest loser has been nuclear non proliferation.

Soon after the U.S.-India deal was announced, state-supported firms in France and Russia, unconcerned about liability limitation, contracted to build power plants in India. The French company, Areva, signed a Memorandum of Understanding in February 2009 with the Nuclear Power Corporation of India to construct up to six new power plants. In December 2009, Russian President Dmitri Medvedev visited India to sign an agreement to construct another six nuclear power plants.

The US Congress, uneasy about a resumption of Indian nuclear testing, stipulated the right to withhold nuclear fuel supplies in this event (Fuel supplies were cut off after India’s 1974 test, which remains a sore point). The Bush administration, not wishing to tie New Delhi’s hands, vitiated this language in the deal’s implementing agreement. France and Russia weakened this constraint even more by moving quickly to guarantee fuel supplies for power plant operations. A Russian firm, TVEL, signed a $780 million deal to supply 2,000 metric tons of fuel in February 2009. Areva’s deal included fuel supplies. These deals free up domestic uranium supplies for military purposes, while providing a cushion against export controls in the event of renewed nuclear testing.

The Government of India does not include signing the Comprehensive Test Ban Treaty among the “responsibilities and practices” of “leading countries with advanced nuclear technology.” Prime Minister Manmohan Singh was perfectly clear on this subject when seeking final passage by the Lok Sabha of the nuclear deal:

I confirm that there is nothing in these agreements which prevents us from further nuclear tests if warranted by our national security concerns. All that we are committed to is a voluntary moratorium on further testing. Thus the nuclear agreements will not in any way affect our strategic autonomy.

If India decides to resume nuclear testing after being gifted with a change of the rules of nuclear commerce, grave damage would result to the Non proliferation Treaty and to its backstopping bodies, especially the Nuclear Suppliers Group (NSG).

Pakistan also wants a nuclear deal to signal international acceptance into the nuclear club. China has recently obliged, with extremely generous terms. Beijing
may assert that the two new plants to be constructed were grandfathered by a deal struck before China entered the NSG in 2004, or it may dispense with this cover story altogether. The net result of the Indian and Pakistani nuclear deals will surely be to expand nuclear weapon capabilities in this triangular competition and to make restraints harder to devise. Pakistan is likely, as before, to fulfill its deterrence requirements more purposefully than India, and is quite set on building the infrastructure to compensate for its bleak assessments of Indian nuclear potential.

Signalling its displeasure with the U.S.-India nuclear deal and reflecting its troubling assessments, Pakistan has blocked the initiation of negotiations in the Committee on Disarmament on a fissile material “cut off” treaty. This form of diplomatic overkill may be transitory; if negotiations do get underway, Pakistan and India are likely to stall progress as they accumulate stocks perceived as necessary for their troubled region. China, India and Pakistan continue to buck global trends by increasing their nuclear weapon stockpiles. All three believe that air-, sea- and ground-based nuclear forces are necessary for deterrence, and are modernizing their triads. All three are also inducting new cruise as well as ballistic missiles.

An accelerated, triangular nuclear competition in southern Asia adds to the strains now felt by the NPT. Cause and effect in these matters are rarely clear – except with regard to the China-Pakistan nuclear deal following on the heels of the Bush administration’s generous offer to India. The global rules of nuclear commerce, established with such care with US leadership over the past decades, are now in greater jeopardy, as are international efforts to tighten safeguards at nuclear facilities.

The NPT’s divide between nuclear and non-nuclear weapon states is problematic enough. Global standards for nuclear commerce and safeguards at nuclear facilities are further weakened by selective application: one set of rules for friendly counterweights, and another for trouble-makers, further weakens the NPT. To make matters worse, the Obama Administration dutifully negotiated an advance consent agreement allowing India to reprocess spent fuel at safeguarded facilities, honouring a pledge that the Bush administration made.

More and more states now have more latitude to go their own way and cut their own deals, as Brazil and Turkey did recently with Iranian enrichment programmes. Turkish Prime Minister Recep Tayyip Erdogan, speaking in Madrid on May 18th, offered this rejoinder to those pursuing a new round of sanctions against Iran, especially the P-5: “Where is your credibility if you have nuclear weapons but are telling other countries not to have them”?
And what of the Bush administration’s bigger picture – facilitating India’s rise to serve as a counterweight to China? Of all the ways and means to facilitate India’s rise – a worthy policy objective – doing so by means of nuclear weapons and nuclear power were unwise choices. New Delhi will not make its choices with respect to China in deference to Washington’s preferences or in repayment of gifts. India’s leaders are quite capable of determining their national interests; the US-India nuclear deal will not change New Delhi’s calculus – whether bilateral interests coincide or diverge.
Proliferation of Think Tanks: 
Impact on Theories of Policy Formulation

Md. RAHAT HASAN

In a world saturated with information, connected by the web and challenged by complex issues, there is a growing need for high quality information and analysis on critical policy issues. Every policymaker knows that ideas have consequences, so whether it is developed or developing countries, policymakers seek the advice and counsel of scholars from think tanks who understand this reality and are able to shape policies and politics with their ideas (McGann 2009:2).

The term think tanks is used to define policy research institutes involved on a regular basis in research and advocacy on any matter related to policy. They are the bridge between knowledge and power in modern democracies. By providing their expertise to legislators, the executives and the bureaucracy, policy advisors play a vital role in formulating and injecting ideas into the policy making (Stone 2007: 149). Structured as permanent bodies, in contrast with ad hoc commissions or research panels, think tanks devote a substantial portion of their financial and human resources to commissioning and publishing research and policy analysis in social sciences: political science, economics, public administration, and international relations. The major outputs of these organisations are books, monographs, reports, policy briefs, conferences, seminars, formal briefings and informal discussions with policymakers, government officials, and key stakeholders (McGann 2009: 2-4).

Essentially, think tanks seek to bridge the gap between knowledge and power. The need for these institutions stems from an unavoidable weakness in all modern political systems—the constraint of time. Decision makers simply do not have the time to conduct in–depth research into all of the topics for which they must formulate and evaluate policies. Likewise, academics do not have the time to deal with the full range of different issues that policy makers necessarily cover. Thus, in keeping with the law of specialisation, the two jobs are split (McGann 2005: 12).

The role of think tanks is to link two roles, that of policymakers and academic, by conducting in–depth analysis of certain issues and presenting this research in easy- to–read, condensed form for policymakers to absorb.
This information and analysis is then used to inform important policy decisions. It is not difficult to see that a system lacking this type of link runs the risk of housing policy makers who make uninformed decisions and academics who conduct research that has little utility outside the walls of the university. Think tanks fill the space between knowledge and power in a manner that, given the right conditions, does much to promote good governance and democracy (Ibid.: 12). Therefore, standard definition of think tanks is policy research, engagement and formulation organisations that have significant autonomy from government and from societal interest such as business firms, interest groups and political parties. However, this definition describes the ideal role and setting for policy institutes. It, however, demands the existence of an equally ideal environment in which these organisations may function. In reality, the role and effectiveness of think tanks is limited and determined according to the nature of the legal, political, social and economic contexts in which they exist. Thus, ‘autonomy’ is a relative rather than absolute term. The above definition should, therefore, be considered as a rough template, as the operational definition of think tanks must differ from region to region (Ibid.: 12).

Think tanks have become more active players in domestic and foreign policy in the last two decades and are now present in 169 countries (McGann 2009: 46). Think tanks of various sorts have performed many different functions including:

— carrying out of research and analysis on policy problems;
— providing advice on immediate policy concerns;
— the evaluation of government programmes;
— the interpretation of policies for electronic and print media, thus facilitating public understanding of and support for policy initiatives;
— facilitating the construction of “issue networks” that involve a diverse set of policy actors who come together on an ad hoc basis around a particular policy issue or problem; and
— Providing a supply of key personnel to government (McGann 2002: 16).

Think tanks are ‘hidden participants’ in policy. Whereas decision making in the formal political arenas by political parties, legislature and executive is a more transparent process, think tanks do not have a clear, consistent or legally designated route to influence policy. Their entrepreneurship in policy provides informal but haphazard access and opportunities for agenda setting. They invest in a gradual, incremental creep of new ideas into prevailing thinking (Stone 1996: 18). Think tanks are shown to be a contemporary mode of interaction between the world of scholarship and inquiry and the
domain of policy-making. In a world where knowledge, information and expertise are burgeoning, think tanks are an increasingly important mechanism for filtering and refining such resources in a relevant and usable manner.

Research brokerage and networking are the primary means by which think tanks make ideas matter. Research brokerage is a process of conveying social scientific knowledge from universities and research organisations to the world of politics and decision making. In this process think tanks are often conceived as a bridge between academia and decision makers. They “occupy a space in the intellectual life, a society between universities, with their preoccupation on teaching and research, and the Civil Service with its preoccupation with day to day management of public policy.” They run by ‘research brokerage’ – people of initiative who build institutions where intellectuals can work on policy issues – and who could also be called discourse managers. Brokerage also occurs through the training and development of staff. Staff are required from universities, political parties, law firms, interest groups and government. Staffs experience and professional interaction is an important facet of communication (Ibid.: 122-23).

Another form of brokerage occurs when policy institutes act as a forum for discussion and interaction through conferences, workshops, seminars, breakfast and luncheon meetings, television debates, working groups and annual dinners—functions that may be ‘invite only’ or ‘members only’, closed to the media or open to the interested public. Both social functions and the more intensive working environment of seminars and meetings serve an intangible purpose of promoting interaction among people from diverse backgrounds who would not ordinarily meet but who have common interests. Importantly, think tanks provide neutral territory where people feel more comfortable and have an opportunity to mingle. Academics can meet practitioners, business people can discuss regularly policy with bureaucrats, and activists can confront politicians (Ibid.: 126).

Proliferation of Think Tanks

The term think tanks was employed originally in the United States during World War II to refer to a secure room or environment where defence scientists and military planners could meet to discuss strategy. This rather narrow usage of the term has since been expanded to describe over close to 1777 US based organisations that are engaged in policy analysis and approximately
5,500 other similar institutions worldwide (Abelson 2002). For most of the twentieth century, think tanks, non-governmental and non-profit organisations that perform research and provide advice on public policy, were an organisational phenomenon found primarily in the United States and to a lesser extent in Canada and Western Europe. Think tanks also existed in Japan for some time, though they generally lacked independence, having close ties to government ministries or corporations. Think tanks have proliferated worldwide since the 1970s. Two-thirds of all the think tanks in existence today were established after 1970 and over half were established since 1980s. In regions such as Africa, Eastern Europe, Central Europe, Central Asia, and parts of Southeast Asia, think tanks are a more recent phenomenon, with most of these institutions having been created in the last ten years. Today there are more than four thousand of these institutions around the world, present in almost every country that has more than a few million inhabitants and at least a modicum of intellectual freedom. The vast majority of think tanks are found in the United States but now the number of think tanks outside the US exceeds the number in the US. Think tanks now operate in a variety of political systems, engage in a range of policy related activities and comprise a diverse set of institutions that have varied organisational forms (McGann 2005: 11).

While the largest concentration of think tanks continues to be in the US and Western Europe, several factors are driving the growth of think tanks in other areas of the world: information revolution; end of government monopoly on information; complexity and technical nature of policy problems; size of government and crisis in confidence in government officials; globalisation and the growth of state and non state actors; need for timely and concise information and analysis in the right form at the right time (McGann 2009: 11).

While all think tanks perform the same basic function – i.e., to bring knowledge and expertise to bear on the policy-making process – not all of them have the same degree of financial, intellectual and legal independence. There is also regional variation in the number, experience, depth, and focus of think tanks. US think tanks are distinguished from their counterparts in other countries by their ability “to participate directly and indirectly in policy-making” and by “the willingness of policy-makers to turn to them for policy advice” (Abelson 2002:9). The rise of modern think tanks parallels the rise of the United States to global leadership. Think tanks affect American foreign policy-makers in five distinct ways: by generating original ideas and options for policy, by supplying a ready pool of experts for employment in
government, by offering venues for high-level discussions, by educating U.S. citizens about the world, and by supplementing official efforts to mediate and resolve conflict (Haass 2002:5).

Among those concentrating on foreign policy is the Council on Foreign Relations (CFR). The CFR is non-partisan and regarded itself as the most prestigious and influential think tank. The Brookings Institution pursues a liberal research agenda and hosts regular seminars and working lunches to discuss foreign policy issues. The Centre for Strategic and International Studies (CSIS) is also non-partisan but regarded as leaning centre right. RAND built its reputation in defence policy research for the US air force but now covers a wide range of domestic issues in addition to national security themes. The Carnegie Endowment for International Peace, the Institutes of Peace, and Woodrow Wilson Centre, are leading liberal think tanks with a strong focus on conflict resolution issues. On the right of the political spectrum are the American Enterprise Institute and the Nixon Center. Other more specialist think tanks include the Atlantic Council of the US, the Centre of Defence Information, and the Institute for International Economics, the Washington Institute for Near East Policy and the Middle East Institute (Cameron 2002:97-98).

As think tanks have grown in number and stature, scholars and journalists have begun to examine more closely the many factors that have led to their proliferation: the division of power between the three branches (legislative, executive, and judiciary) and levels (state and federal) government; a political system that has weak political parties that exhibit little to no party discipline; a highly developed philanthropic and civic culture; a public that maintains a healthy distrust of public officials and prefers a limited role for government; citizens’ proclivity to join and support interest groups rather than political parties to represent their interests and express their policy preferences; a political system that has many points of access; and the public’s tendency to embrace independent experts over politicians or bureaucrats (McGann 2007:8).

Western Europe

Western Europe has the most developed and largest number of think tanks outside the United States. While think tanks in Europe are numerous they are not very diverse. Many remain formally linked to political parties. Until recently most think tanks operated as adjuncts to political parties but major changes have taken place, sparked in part by creation of independent think tanks in Eastern and Central Europe. Most of these think tanks focus on European integration, US-European transatlantic relations, or topical issues such as climate change; in recent years, many
of the top European think tanks have expanded work on democratisation and nation-building in the developing world. European think tanks have enjoyed better access to policymakers than many counterparts elsewhere in the world, although some now are attempting to reach out to even wider audiences in business, the media and citizens to participate in the public debate. A growing number of institutions are organised to conduct research on issues facing Europe and the EU and many are now based in Brussels or have satellite offices there. Despite these developments many think tanks continue to have a state-centric perspective and ignore trans-European issues. Think tanks in this region publish far more books than any other region in the world. This is likely the result of government funding and the academic orientation of many think thanks (McGann 2009: 47).

Central and Eastern Europe

Eastern European think tanks have emerged in the last 15 years as a part of the political and economic transformation that swept the region. The strategy and structure of these institutions are more varied and policy-oriented than their counterparts in Western Europe. This is because they benefited from entering the global marketplace of think tanks late and were therefore able to borrow the best features of independent public policy research organisations from around the world. They also received significant funding from public and private donors in Western Europe, North America and Asia that wanted to support the democratic transitions that were taking place in the region. The political dynamic at the moment of their creation also required that nongovernmental think tanks adopt a more activist and policy-oriented approach in their research and programmes in order to bring about the change that was called for by the will of the people. This chain of events led to the creation of a whole set of institutions that look more like think tanks in the US than in Western Europe. As a result, a vibrant and innovative community of think tanks now exists in this region. These institutions have been so successful that they are now sharing their experiences with emerging think tanks in the Balkans and Eurasia. Issues of independence, capacity and sustainability are challenging these institutions as political tides shift and they move from start-up organisations to established institutions in post-communist societies. Much of the focus has shifted away from international donors as a means of support to national and regional (EU and NATO) sources of funding (Ibid.:48).

Russian Federation
Several prominent and well established Russian think tanks that date back to the Cold War and survived the transition are still active today. In the post-communist period a new group of think tanks emerged with a new generation of scholars. A highly educated cadre of researchers and increasingly stable economic conditions created a favourable environment for think tanks to operate. Unfortunately, the opening and independence of the 1990s has faded in the face of more active and centralised government decision making on economic, political, and foreign policy issues. Vladimir Putin and now his successor Dmitry Medvedev continue to use legal and extra-legal means to limit the role and influence of think tanks. These harsh measures have served to stifle independent analysis and push back at civil society in Russia. So the positive developments are offset by the significant constraints placed on the funding and operation of NGOs. In addition, the decline in Western financial support for think tanks is having a negative impact on the younger and more independent thinking policy research organisations. This is compounded by the fact that non-governmental indigenous support is not rising at a rate fast enough to make up for the loss of public and private support from the West (Ibid.:48).

Asia

Asian think tanks often focus on economic, strategic and security issues within the region, yet they sometimes are more constrained than their European counterparts because of their close ties to government. Southeast Asian think tanks are at the forefront of efforts to build stronger regional networks among such research organisations, particularly in the areas of economics and security. Public policy research organisations have grown quite rapidly and are now playing a significant role in public debate and discussion in their respective countries. While many of these organisations started out as governmental or quasi-governmental entities, they have slowly moved out of the orbit of government and become independent actors in civil society (Ibid.:48).

Latin America

Latin America has one of the most stable, yet, evolving think tank communities in the developing world. Some of the most prominent and long-standing Latin American think tanks focus on development issues, economic policy, human rights and the environment. Domestic security issues such as violent crime and criminal gangs are increasing and many think tanks are
coming on-line to address these problems. The think tanks that are focused on security issues often have more links to official government military organisations. It is still unclear how change in the political landscape in the region will be reflected in the think tanks in Venezuela, Chile, Nicaragua and Bolivia (Ibid.: 49).

**West Asia and North Africa**

The most prominent West Asian think tanks have focused largely on state-to-state security issues within the region over the last several decades. Research has revealed that the two leading areas of research are democratisation and economic policy. An increasing number of WANA think tanks are branching out with current research projects and are studying environmental issues. The number of independent think tanks has grown in recent years but they tend to have a limited degree of freedom and not much financial or political support relative to other regions in the world (Ibid.:49).

**Africa**

African think tanks generally are more limited in number, experience, and resources than their counterparts in other regions, and the focus more often is on domestic issues such as economic development, health (AIDS), policing and crime prevention rather than on regional security and economic issues. The issues of independence, sustainability and intellectual capital flight are prevalent in the region. To address these problems, public and private donors have begun to support efforts to strengthen indigenous research and institutional capacity (Ibid.:49).

**Countries with the Largest Number of Think Tanks**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Number</th>
<th>Rank</th>
<th>Country</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>1777</td>
<td>14</td>
<td>Sweden</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>UK</td>
<td>283</td>
<td>15</td>
<td>Netherlands</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Germany</td>
<td>186</td>
<td>16</td>
<td>Mexico</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>165</td>
<td>17</td>
<td>Romania</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Argentina</td>
<td>122</td>
<td>18</td>
<td>Spain</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>India</td>
<td>121</td>
<td>19</td>
<td>Belgium</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>Russia</td>
<td>107</td>
<td>20</td>
<td>Israel</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>Japan</td>
<td>105</td>
<td>21</td>
<td>Ukraine</td>
<td>4</td>
</tr>
</tbody>
</table>
The growth of public policy research organisations over the last two decades has been nothing less than explosive. Not only have these organisations increased in number, but the scope and impact of their work has expanded dramatically. Still, the potential of think-tanks to support and sustain democratic governments and civil societies around the world is far from exhausted. The challenge for the new millennium is to harness the vast reservoir of knowledge, information, and associational energy that exist in public policy research organisation in every region of the world in the pursuit of solutions to common problems (McGann 2002).

The global reach of think tank development is reflected in the cottage industries that have evolved around the phenomenon. There are practical guides on how to manage think tanks. Workshops are convened regularly by USAID, the Konrad Adenauer Stiftung, Freedom House, the World Bank, UNDP and the Open Society Institute (among many others) on how to start and then manage a think tank. Specialist consultants and firms cater to both think tanks that need management advice and to their donors who require evaluation of the think tank analysis they have funded. There are parallels in the development of the academic literature. During the 1990s, analysis of think tanks was devoted almost exclusively to think tank growth within Anglo-American systems as “third sectors” organisational solutions applying knowledge and expertise to public problems. Current research trends are comparative and focused on think tank political roles in developing and post communist states, in global governance, and addressing issues of think tanks influence in policy networks and public discourse (Stone 2007:151).

**Typology of Think Tanks**

As think tanks proliferate and diversify, there is less agreement on how they might be defined. The think tank idea has been stretched. Journalists, academics, and other commentators have applied the term haphazardly as a label for any institution undertaking policy – related technical or scientific research and analysis. This could be an international agency, a non-governmental organisation, a scientific
laboratory, a commercial research enterprise, or policy analysis units inside government. Increasingly, the boundaries between think tanks and other groups are blurring. Pressure groups and NGOs such as Amnesty or Transparency International have their own capacity for policy analytic research. Some think tanks are not devoted exclusively to research and policy analysis but are “think –and- do tank” involved in advocacy, technical assistance, and training. Many institutes are informally incorporated or co-opted into policy development whereas in other political systems, institutes conform to the strictures of state monitoring and censorship. Consequently, the variety of think tanks in operation defies simple generalisation about their standards of research and integrity of policy analysis (Ibid.: 151-52). While it may not be possible to accurately define think-tanks, it is useful to establish typologies which classify policy research institutions according to their research agenda, staff composition and main institutional goals—of these differences most think tanks tend to fall into broad categories outline below:

### Categories of Think Tanks Affiliation

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomous and Independent</td>
<td>Significant independence from any one interest group or donor and autonomous in its operation and funding from government.</td>
</tr>
<tr>
<td>Quasi Independent</td>
<td>Autonomous from government but an interest group (i.e. unions, religious groups, etc.), or contracting agency provides a majority funding and has significant influence over operations of the think tank</td>
</tr>
<tr>
<td>University Affiliated</td>
<td>A policy research centre at a university</td>
</tr>
<tr>
<td>Political Party Affiliated</td>
<td>Formally affiliated with a political party</td>
</tr>
<tr>
<td>Government Affiliated</td>
<td>A part of the structure of government</td>
</tr>
<tr>
<td>Quasi Governmental and structure</td>
<td>Funded exclusively by government grants contracts but not a part of the formal structure of government.</td>
</tr>
</tbody>
</table>

Source: James McGann, and Weaver, Kent (eds.) (2000)

Models of Decision Making and Involvement of Think-Tanks

To demonstrate why it is necessary to include think tanks in the literature
on decision making, it is necessary to briefly discuss how scholars have attempted to study the policy making process. In doing so, the various ways think tanks can be incorporated into these models and theories will become apparent.

**The Rational Actor Model**

One of the most popular of the simplified models is the black box or the billiard ball model. This notion has been termed as the “strategic model” by Roger Hilsman (1990:32). It derived directly from the theories of realism as propagated by Hans Morgenthau, Kenneth Waltz, et al. Later the model was termed as the Rational Actor Model by Graham Allison. The rational actor model assumes that the state acts as a rational, unitary decision-maker, and can identify and select a course of action which will maximise its strategic goals and objectives (Allison 1971:32-35). Once states define their goals and objectives, the rational actor model assumes that they evaluate the various options they have at their disposal to achieve them. In evaluating their options, states assess the consequences of each particular action and after careful deliberation, make a rational choice which is value maximising, that is to say, they select a course of action which will maximise their benefits and minimise their costs (Abelson 1996:104).

However, the assumption on which the model is based is problematic. To begin with, it is unrealistic to assume that states behave as unitary decision-makers. While some political leaders may prefer to make decisions in a political vacuum, the various pressures imposed on them by opposition parties, individual departments, agencies, boards, interest groups, corporations, labour unions and other non-governmental organisations often limit their ability to make independent policy choices. As a result, to suggest that states behave as unitary decision makers is fallacious (Ibid.: 104). Also, the proponents of the rational actor model suggest that in the process of assessing the advantages and disadvantages of selecting an appropriate course of action, leaders have access to perfect information. However, from time immemorial, leaders have pursued policies which for all intents and purposes were clearly irrational. On what basis then do leaders make policy decisions?

Most theories of individual and organisational choice employ a concept of “comprehensive rationality” according to which individuals and organisations choose the best alternative taking account of consequences, their probabilities and utilities (Allison 1971: 71). However, Herbert Simon argues that the concept of ‘bounded rationality’ more accurately reflects
how individuals and organisations process information. In short, Simon’s theory of bounded rationality states that the physical and psychological limits of man’s capacity as alternative generator, information process or, and problem solver constrain the decision-making processes of individuals and organisations. Because of these bounds, intendedly rational action requires simplified models that extract the main features of a problem without capturing all of its complexity (Ibid.: 71).

The rational actor model provides a useful point of departure to examine how think-tanks can be integrated into formal theories of decision-making. Assuming, as proponents of the rational actor model do that decision makers acting on behalf of the state assess the advantages and disadvantage of pursuing certain courses of action before making a policy decision, one would expect leaders to rely on various sources of policy advice. Since few decision-makers possess expertise in every policy area, it is not surprising that they frequently turn to their inner circle of policy advisers for guidance. Moreover, executive, legislators and their staff, often solicit the input of think-tanks scholars in the process of developing and shaping specific policies (Abelson 1996: 106).

By examining how think-tanks formulate and transmit ideas to decision-makers, theorists employing the rational actor model could, at the very least, evaluate an important source of policy information. Since think-tanks constantly provide decision-makers with information and advice on a wide range of issues through seminars, publications and other channels, their contribution to important policy debates should not be overlooked (Ibid.: 106).

_Bureaucratic Models of Decision Making_

Graham Allison (1971) reveals the inherent weakness of the rational actor model. According to Allison, proponents of the rational actor model overlook two important features of the policy-making process; the extent to which bureaucratic departments limit the policy options available to political leaders and the intense competition between government officials to advance their political and personal interests.

Although the rational actor model assumes that states select a course of action which will maximise their objectives, Allison argues that the inability and unwillingness of bureaucratic departments to perform certain tasks constrains the policy alternatives available to decision makers. According to Allison’s organisational process model, since individual departments are required to adhere to standard operating procedures (SOP), they may not have the flexibility to alter their behaviour in such a way as to satisfy the
objectives and preferences of decision makers. While political leaders may prefer to adopt a particular strategy, bureaucratic constraints may compel them to pursue alternative courses of action (Allison 1971:185).

In contrast to the organisational process model, which examines how policy options are at times influenced by bureaucratic constraints, Allison’s governmental (bureaucratic) politics model focuses on the competition between decision makers to promote their political and bureaucratic objectives. By identifying key players in the policy making process and the importance they assign to particular issues, the bureaucratic politics model attempts to explain what motivates certain individuals to influence the outcome of policy debate (Abelson 1996:108).

Although flow charts of the policy making process illustrate how the executive and legislative branches of government share responsibilities in domestic and international affairs, they rarely reveal the political bargaining which takes place among key players. For Allison, unless policy observers pay attention to the political struggle among high-level decision-makers to promote their institutional and personal interests, they cannot possibly paint an accurate portrait of the decision-making process.

The organisational process and bureaucratic politics models focus on important aspects of the policymaking process, that is to say, how individual leaders and departments attempt to advance their interests in the bureaucratic hierarchy. Nonetheless, they virtually ignore the individuals and organisations operating outside the formal parameters of government who also have a vested interest in influencing decisions at the highest levels of government. As organisations committed to influencing public policy and public opinion, think-tanks have made a concerted effort to expand their influence throughout government. By developing their own areas of expertise and establishing contacts with officials in various departments and agencies, think-tanks have attempted to ensure long-term access to decision-makers (Ibid.:110).

Consequently, both the organisational and bureaucratic models of decision-making neglected to explore in any detail the relationship between bureaucratic departments and think-tanks. Despite this oversight, the involvement of think-tanks in the policymaking process could easily be incorporated into the parameters established by the organisational process and bureaucratic politics models (Ibid.:110). For instance, assuming that the adherence to standard operating procedures by bureaucratic departments often constrains the policy options available to decision makers, one could examine which, if any, think tanks were responsible for advising officials on how to identify and resolve particular policy problems.
Similarly, since many high-level government officials come from or return to think-tanks after leaving office, it is possible to comment further on the political motivations of decision-makers. In other words, while the bureaucratic politics model examines how and why leaders attempt to advance the interests of the departments they represent, it could also take into consideration the benefits high-level officials derive by promoting positions supported by prominent think-tanks. The appearance of cabinet officials and members of Congress at think-tanks seminars and lunches may enhance the visibility and prestige of research institutions but it also provides government officials with an opportunity to solidify their ties to potential employers (Ibid.:110).

**Cybernetic Theory of Decision Making**

According to John Steinbruner, policy-makers do not engage in sophisticated mental calculations before making value maximising decisions as the rational actor model suggests. Rather, he argues that political leaders instinctively rely on survival mechanisms to resolve policy problems. Bombarded by information from multiple directions and sources, policy makers cannot possibly digest all pertinent data before making critical decisions. As a result, Steinbruner argues that they must develop a highly structured and stable environment to address and examine policy issue (Steinbruner 1974:74). In other words, contrary to the rational actor model which assumes that individuals select a course of action which will maximise their goals and objectives, cybernetic theorists maintain that policy decisions are dictated by how decision makers respond to certain types of information (Abelson 1996: 112).

Steinbruner’s cybernetic theory of decision making is useful in explaining how decision-makers attempt to reduce uncertainty in their environment by screening out certain types of information. However, his contention that policy decisions are the result of programmed responses requires closer scrutiny. While decision makers may very well rely on a small set of ‘responses’
and decision rules to process information, it does not appear that policy decisions are necessarily dictated by how they respond to highly selective data. In other words, although individual leaders may attempt to immerse themselves in stable and protective environments, the views they promote and the ideals they embrace may be influenced by a multitude of factors. For instance, surrounded by political advisers and policy experts from various government departments and think-tanks, decision-makers may be forced to alter their most preferred course of action, despite having previously processed highly selective information (Ibid.:112). More specifically, although decision makers may consciously establish mechanisms to absorb only a narrow range of information, how they react to that data may have less to do with programmed responses and more to do with who is providing that information and advice.

Decision makers, unlike programmed machines, are not conditioned to respond in a predetermined manner. While policy makers may elect to ignore or discard information which they consider irrelevant, it is difficult to argue that a small set of decision rules influence the formulation and implementation of policy decisions. Motivated by an intense desire to survive, decision makers will attempt to adapt to their environment by determining the most effective ways to make rational policy choices. For policy makers, this may entail digesting as much information as possible before making a final decision (Ibid.:112).

Again, Steinbruner’s framework does provide additional opportunities to observe how think tanks attempt to shape the policy environment in which political leaders make policy decisions. Recognising that decision-makers rarely have the time to digest all information necessary to make rational policy decisions, several think tanks have attempted to provide them with concise analyses of major domestic and foreign policy issues. By identifying the major arguments surrounding key policy debate in brief reports and in commentaries offered on radio and television broadcasts, think tanks have been able to assist decision makers manage their information more effectively. This is not to suggest that think-tanks directly influence specific policy decisions but rather that they provide a valuable source of policy information and advice which can help shape the environment in which leaders make decisions (Sundquist 1978: 126-144).

**Elite and Interest Group Models of Decision-Making**

By examining the formulation and conduct of policy elites, Robert Dahl and C. Wright Mills among others, have provided much-needed insight into how elites in different policy-making circles attempt to influence the content and direction of public policies. Moreover, David Truman among others has written extensively on how
interest groups in pluralistic societies engage themselves in policy debates (Abelson 1996:113). Contrary to the assertions of some theorists who argue that the political process is controlled by a group of elites committed to the promotion of corporate interests, Robert Dahl’s classic study ‘Who Governs?’, indicates that leaders responsible for overseeing important community issues do not necessarily share the same goals and objectives. In fact, as his study demonstrates, groups or organisations often engage in a bitter competition to advance their institutional interests. Dahl’s observations about the presence of multiple elites and their participation in the policy making process shed additional light on the domestic sources of public policy (Dahl 1991) The presence of several hundred think tanks competing for power might give the impression that think tanks are influential players in the policy making process (Abelson 1996:114).

C. Wright Mills (1965) argues that the American political process is dominated by what is commonly referred to as the military-industrial complex. Political leaders, in cooperation with the military and defence contractors, formulate and implement domestic and foreign policies which will further promote their common interests. Mills’s study presents a rather conspiratorial view of the political system, yet his insight into the intimate relationship between the military and defence contractors cannot be casually dismissed. Similarly the relationship between the military and individual think-tanks must be taken into account. The reliance of the military on such think-tank as the Rand Corporation in US provides policy research institutions with considerable opportunity to help shape vital national security policies (Abelson 1996:115).

David Truman argues that the government does not pursue its own goals and objectives but merely serves as a referee moderating between competing interest groups (Truman 1951). If the government behaves as little more than an impartial referee ensuring that interest groups follow the rules of the policy game, what, if any, incentive would political leaders have to seek public office? After all, if elected officials simply respond to interest groups pressure, why would leaders struggle over making critical policy decisions? Moreover, how can Truman argue that interest groups and other nongovernmental organisations compete on a level playing field when decision makers depend on some of the participants for policy advice? (Abelson 1996:115). Similarly, while thousands of interest groups lobby decision-makers to introduce legislation which is compatible with their institutional interests, very few are actually called upon by the executive or legislators to develop and shape policy ideas. Although members of interest groups often
give testimony to executive and legislative committees, they rarely provide
decision-makers with detailed blueprints on how to develop a particular policy
idea. Think-tanks, on the other hand, are approached by decision-makers to
provide them with practical advice on how to develop and implement domestic
and foreign policies (Ibid.:117).

Contrary to Truman’s assumptions, the decision-makers do not simply
behave as referees moderating between competing interests. In developing
and formulating policy ideas, decision-makers do not simply await the views
of interest groups, but actively draw on and solicit the opinions and advice of
a wide range of individuals and organisations. As a result while think-tanks
could be incorporated into studies on interest group behaviour, their active
involvement in the policy formulation process distinguishes them from the
thousands of other organisations which may have a more visible presence in
the public arena, but whose access to decision-makers is for more limited
(Ibid.: 117).

Conclusion

Knowledge is the central aspect of power. Policy-makers need basic
information about the world and the societies they govern how current policies
are working, possible alternatives, and their likely costs and consequences.
Independent public policy research and analysis organisations, commonly
known as “think tanks” have filled policy-makers insatiable need for
information and systematic analysis that is policy relevant. The growth of
public policy research organisations over the last two decades has been nothing
less than explosive. Not only have these organisations increased in number,
but the scope and impact of their work has expanded dramatically. In addition,
they have developed and strengthened ties with other nongovernmental
and research organisations through the establishment of state, regional and
international networks.

The black box of decision-making continues to conceal the inner working
of the governmental process. However, a closer look at the influence of think-
tanks allows to peep a little further inside. Despite the preliminary efforts of
a handful of scholars to examine the role of think tanks in the policy making
process, the study of policy research institutions and their involvement in
decision making is far from complete. The rational actor model provides
scholars with relatively straightforward explanation as to how states are
supposed to make decisions. But it pays little attention to how think tanks
attempt to provide policy advice to decision makers. Allison’s bureaucratic
models provided further insight into the mechanics of the decision making process. He also neglected to explore in any detail the relationship between bureaucratic departments and think tanks. Though the cybernetic theory convinced that decision makers attempt to reduce uncertainty in their environment by absorbing only a narrow range of information, it fails to identify some of the principal sources of that information. Furthermore, elite theorists argue that decision makers simply behave as referees moderating between competing interests. However, in developing and formulating policy ideas, decision makers do not simply await the views of interest groups, but actively draw on and solicit the opinions and advice of a wide range of individuals and organisations. As a result of the increasingly active involvement of think tanks in the policy making process, parameters of models and theories of decision making simply need to expand. By treating think tanks as important inputs into the policy making process, instead of passive observers, policy analysts can provide a more detailed explanation of the various actors competing for power in the political arena.

References


Declaratory Diplomacy: Collective European Position on the Palestinian-Israeli Conflict

SUJATA ASHWARYA CHEEMA

The European position on the Palestinian-Israeli conflict, stated in the form of declarations and statements, was formulated in the 1970s, when the six-member states (France, Germany, Belgium, Netherlands, Italy, and Luxembourg) of the European Community (EC or European Economic Community, the EEC), agreed on the importance of the issue to place it on the agenda ‘European Political Cooperation’ (EPC), a newly-established framework for foreign policy harmonisation. The first official declaration of the Community within the framework of EPC and the first important collective European response to the conflict came in November 1973, in the days following the Yom Kippur War.

The elaboration of the Community’s position on the conflict took place through a series of declarations, culminating into principles or acquis politique on the conflict, with the Venice Declaration in 1980, whose principal constituents were: recognition of the Palestinian right to self-determination along with Israel’s right to exist in peace with her neighbours; inadmissibility of the territories acquired by war and the proclamation of the illegality of settlements in the occupied territories of West Bank and Gaza Strip. Most of these principles have been accepted and legitimated over time, most notably in the Oslo peace process, which was based on mutual recognition and a two-state solution.

This paper argues that the EC’s choice of declaratory policy as an approach towards the Israel-Palestinian conflict emerged from two basic factors. First, although the EPC expedited the process of political cooperation in the EC, it was inadequate to address divergent national views on such a sensitive area. The institutional mechanism of the EPC – exchange of information, enhanced consultation, and obligatory synergy at work – was slow in surmounting this challenge to a collective approach. This was reflected in the lack of political will to take precise and concrete actions. Declaratory diplomacy, therefore, provided a way out of the vexatious burden of direct intervention in a region of great strategic significance for Europe. Secondly, after the Suez debacle in 1956, the political standing of European powers had declined sharply and they had gravitated towards playing a complimentary role to the United States in West Asian affairs. Any independent and substantive intervention, given their trans-Atlantic ally’s dominance of the region, would have placed the Community under severe strain. The declarations, while useful in elaborating the European
position on the conflict and reflecting the changes in the national environment of individual countries, preserved the American-led post-World War II order, to which they had acquiesced early on and benefited.

**Prelude to Foreign Policy Cooperation**

Until the establishment of EPC in 1969, there was no foreign policy collaboration in the EC. This was reflected in the disparate stands of the EC-member countries on the June Six-Day War (1967), reflecting their national policies. France castigated Israel for belligerency, imposed a total ban on arms deliveries to Israel, and terminated military collaborations. Although Germany proclaimed its neutrality, it supported Israel *de facto* and called for freedom of navigation in the Gulf of Aqaba. Netherlands was supportive of the Israeli position and blamed the Arabs and the USSR for belligerency. The June War split the Italian ruling class, albeit the official response was that of support and ‘understanding’ for Israel. Countries with fewer historical interests in the region such as Belgium and Luxembourg, sought the intervention of UN and NATO to mitigate the crisis. In such a scenario, the EEC Commission’s approval for a status of ‘associate state’ for Israel, in the midst of the war was in accord with the general European position (Greilsammer and Weiler 1987: 25-26).

France’s departure from the norm following the June War was unquestionably a function of the particular vision of President Charles de Gaulle. De Gaulle believed that the Algerian crisis and the Suez incident had closed off access to a region where France had always been active. Upon his return to power in 1958 as France’s president, de Gaulle set the tone for change in French policies to the advantage of the Arab side (Rondot 1987: 87-90; Kolodziej 1974). Despite the fact that he admired the Zionist enterprise ‘as an expression of suffering and greatness of the Jewish people’, de Gaulle insisted that ‘support for Israel’s right to exist could not exclude, and indeed demanded, a policy of prudence toward the Arab people who are Israel’s permanent neighbours and upon whose territory the Zionist state has been established’ (Artner 1980: 430). Israel’s actions in June 1967 gave France’s foreign policy an Arab dimension it lacked before, which had an obvious bearing on EC’s position on the Palestinian-Israeli conflict.

In the wake of the June War, in general, the European states accepted United Nations Security Council Resolution 242, the terms of which were envisaged by the US. They offered no alternative position for settling the conflict. France and Britain, in an unusual alliance with the US, participated
in the drafting of this resolution. Resolution 242 was vaguely formulated and soon became mired in controversy over the meaning of various clauses, stalling any progress on negotiations for peace among the parties to the conflict. Egypt and Jordan agreed to Resolution 242 while Syria rejected it. The Palestinians also rejected it on the grounds that it spoke of their plight only as a refugee problem, making no mention of their rights to self-determination and national sovereignty.

However, none of the European countries found the word ‘refugees’ contained in Resolution 242 offensive at that time. It is pertinent note that the Palestinian dimension of the conflict was not yet appreciated, not even by France, which has taken a decidedly pro-Arab stand. It was not until PLO’s call for armed struggle against Israel that the West Asian conflict came to be understood in terms of Palestinian rights. The Palestinian dimension of the conflict was to later become the crux of the EC’s resolutions and statements.

The establishment of EPC, however, did not bring about an immediate harmonisation of the Six’s national positions. The differences in opinion of individual member states on the conflict were evident when France’s attempt to sway the Community towards ‘understanding’ of the Arab position, introduced much acrimony into the first political cooperation meeting in November 1970. France, now under President Georges Pompidou presidency, took the leadership of convincing the other members of the Community of the importance of formulating a collective position on the West Asian question, namely preventing the eastern Mediterranean area into becoming a theatre of instability (Kolodziej 1971: 505). Despite the initial problems, the Community driven by France’s pro-active diplomacy, continued to work towards a joint statement on the conflict to the satisfaction of all the six partners. A general consensus evolved around French position, which also helped the EC in internal cohesion, furthering European integration.

On 13 May 1971 in Paris, the foreign ministers of the EEC unanimously accepted a report of their political committee, called the Schumann Report (taking its name from Maurice Schumann, the French foreign minister, who played a significant role in its preparation), expressing their consensual position on the Arab-Israeli conflict. The report reiterated the basics of United Nations Resolution 242: withdrawal from occupied territories such that Israel-Arab borders should be those which existed on 4 June 1967 (with, however, ‘minor modifications’); modalities for secure and recognised borders (e.g. demilitarised buffer zones between Israel and Arab borders under international control in which the four major powers would not be a part of these forces); international status for Jerusalem; the regulation of the Arab refugee problem either through repatriation to their towns and villages or compensation and of shipping in the Gulf of Aqaba and the Suez Canal (Artner 1980: 431; Jawaad

Even though the report offered nothing substantially different at the time on how to resolve the conflict, it was significant for three reasons: first it was based on Resolution 242 and, therefore, accepted its primacy in the resolution of the Arab-Israeli dispute; secondly, it represented the first coordinated and successful attempt by the Six to harmonise their positions on a foreign policy issue; and lastly, it became the basis for Community’s future stand on the Arab-Israeli conflict.

The Schumann Report was meant to pressurise Israel on the question of withdrawal from the occupied territories and was considered an official document by the French, whose efforts had given it the final shape. On the other hand, Germany and Netherlands – the supporters of Israel in the Community – considered it a working paper and insisted on keeping it a secret. Though never officially published, the contents of the paper were leaked, evoking hostile reactions from Israel. While it was welcomed by the Arab governments, Israel termed it as favouring the Arab line and questioned the European Community’s right to involve itself in the conflict.

Thereafter, the Nine (Denmark, Ireland and UK, joined EEC in January 1973) agreed to work as a group on issues pertaining to West Asia and to vote as a group on General Assembly resolutions on the Arab-Israeli conflict. Until the Yom Kippur War (1973), the EC did not work out any other joint paper on the West Asian problem. However, as Greilsammer and Weiler (1987: 28) note, “each of the Nine continued to develop a positive reassessment of Arab demands. For each of the Nine the reasons and the rhythm of this evolution were different but the direction was the same. Relations with Israel continued to deteriorate, which is why, notwithstanding the war, the time was ripe for the EEC to make a major political move by the end of 1973.”

Yom Kippur War and the Beginning of Declaratory Diplomacy

The Community was divided along national lines once again in the aftermath of the Yom Kippur War launched by Egypt and Syria on Israel on 6 October 1973. France was consistent with its pro-Arab position and was joined by UK in holding Israel responsible for the war by refusing to withdraw from the territories occupied in 1967. On the other hand, Netherlands, as in 1967, held the Arab countries responsible and blamed Egypt and Syria for the outbreak of hostilities. Others sought the intervention of the UN to put an end to belligerency. In the circumstances, the first official response of the EC was an ambiguous document of 13 October 1973, calling for ceasefire and abidance by Resolution 242.

However, the advent of oil crisis jolted the European countries to give up their national positions and galvanised them towards closer cooperation on
foreign policy issues. In the aftermath of the war, Arab producers of the Organisation of Petroleum Exporting Countries (OAPEC), decided to use oil as a ‘weapon’ in their war against Israel and the countries favouring her. To this effect, the six oil-producing Gulf states decided to increase the ‘posted price of crude oil by 70 per cent and impose five per cent reduction of deliveries until Israel returned to its pre-1967 borders with neighbouring Arab countries’ (Jawaad 1992: 65-66). The OAPEC placed varying degrees of oil embargo on the European countries depending upon their positions on the war and also decided that ‘this progressive reduction would lead to a total halt in Arab supplies to the United States’ (Itayim 1974: 90-91).

The ‘oil weapon’ threatened Europe’s economic security and created a serious crisis within the Western Alliance (NATO). The European Community depended for “almost 60 per cent of its energy supplies from the Middle East, as compared to roughly 10 per cent for the United States” (Jawaad 1992: 68-69), and hence its sense of vulnerability sharpened with the OAPEC’s decision. The post-World War II order in West Asia – built and sustained by American power – which guaranteed continuous flow of energy resources and other raw materials to Europe, appeared to be under severe strain with the oil crisis. This compelled Europe to seek the promotion of its interests with its own means, which resulted in a change in the pattern of relationships with the Arab world and Israel. It also brought to fore the uneasy nature of Euro-American relations in different assessment of, and responses to crisis. The United States’ call for the creation of a common consumers’ front in the form of International Energy Agency in response to the cartelisation of the oil-producers was, therefore, not heeded immediately by the EEC. In turn, it brought home the necessity of a joint European policy on the crisis, which would not necessarily be in tune with their trans-Atlantic ally.

What followed the oil crisis was a serious European involvement in the West Asian conflict. A joint statement issued by the Community on 6 November 1973 in Brussels, constituted a subtle – though important – shift of attitudes on the Arab-Israeli Conflict. The declaration affirmed UN Security Council Resolutions 242 and 338, and called for negotiations in the framework of the United Nations and stated that any peace settlement must be the object of international guarantee. It went further to state that a peace agreement between the parties should be based on the following principles: i) The inadmissibility of the acquisition of territory by force; (ii) The need for Israel to end the territorial occupation which it has maintained since the conflict of 1967; (iii) Respect for the sovereignty, territorial integrity and independence of every State in the area and their right to integrity and
independence of every State in the area and their right to live in peace within secure and recognised boundaries; (iv) Recognition that in the establishment of a just and lasting peace account must be taken of the legitimate rights of the Palestinians.²

The declaration was an important landmark in the evolution of EC’s collective position on the conflict for three important reasons: first, in voicing the need for a UN-sponsored international conference, it departed from the American-Israeli position, which resisted such a move; secondly, by adopting the word ‘Palestinian’ instead of ‘Arab refugees’ as mentioned in the UN Resolution 242, it recognized the Palestinians as ‘people’, with a ‘national status’; third, it had raised the question of the legitimate rights of the Palestinians (though it did not define these rights or their role in the settlement of the conflict), a terminology hitherto used by the Arabs. This declaration was a success for France, which was actively involved in lobbying to distance the Community’s policies, away from the American pro-Israeli position. In terms of political cooperation, the EC member-states were successful in presenting a joint statement on a difficult foreign policy issue. In the same spirit, the member countries set aside their differences to vote as a group in the twenty-eighth session of the UN General Assembly for those resolutions that criticised Israel’s continued occupation of Arab lands.

The Arab Summit meeting in Algiers a few days after the Brussels Declaration expressed satisfaction with its contents and agreed to end the oil embargo on the European countries, with the exception of Netherlands, despite it being a signatory to the declaration. On the other hand, Israel was incensed by the expression, ‘legitimate rights of the Palestinians’, formerly a preserve of the Arab side. The gap between European and Israeli approaches to Arab-Israeli peace-making widened further with the Brussels declaration. The subsequent attempts by the European Community to play a mediatory role in the Arab-Israeli conflict, was disparaged by Israelis and the Americans, for being ‘dictated’ by interests embedded in energy security and marked with a ‘pro-Arab’ bias.

At the Copenhagen Summit in December 1973, the EC heads of states affirmed their support for Arab concerns and called for the ‘full implementation of Security Council Resolution 242 in all its parts taking into account also the legitimate rights of the Palestinians.’³ During the meeting, France and Britain strongly advocated the idea of establishing a ‘special relationship’ with the Arab world, although it was unclear what it exactly meant. Robert Lieber (1976: 18) argues that this included both diplomatic efforts to gain oil supplies and intensified trading relationship to
provide Europe with recycled funds. This was clear when the EC communiqué ‘confirmed the importance of entering into negotiations with oil-producing countries on comprehensive arrangements comprising cooperation on a wide scale for the economic and industrial development of these countries, industrial investments, and stable energy supplies to the member countries at reasonable prices’. The ‘Euro-Arab dialogue (EAD)’, a forum for direct cooperation between EC and Arab countries, was launched at this juncture.

The Brussels declaration was also affirmed in the statements made in the name of the Nine during several sessions of the UN General Assembly. The main topic of the twenty-ninth session of the UN General Assembly in 1974 was the Palestinian question. France, Ireland and Italy voted in favour of the resolution inviting the PLO to participate in the Assembly plenary sessions and when the other members of the Community voted against Resolution 3237 granting PLO permanent observer status, France abstained. France supported the invitation of Yasser Arafat to address the UN General Assembly sessions in 1974 – the year the UN also recognised the Palestinian right to self-determination. President Valery Giscard d’Estaing agreed to the opening of a PLO office in Paris ‘with the status that, short of diplomatic representation, enabled it to carry out official and public activities and authorized its representatives to take part in meetings and activities of Arab ambassadors in France’ (Gorce 1997: 10-11).

On 3 December 1975, the Italian ambassador, speaking on behalf of the Nine, at the thirtieth session of the UN General Assembly, bolstered the Community’s November 1973 position, by stating that the settlement to the West Asian conflict should recognise ‘the right of the Palestinian people to the expression of their national identity’. Speaking in the same vein, Netherlands foreign minister Max van der Stoel, in the following thirty-first session of the General Assembly in September 1976, declared that “a solution of the conflict in the Middle East will only be possible if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact.” The European governments’ position on the conflict was becoming more nuanced with the Brussels Declaration, straining further their relationship with Israel.

Road to Venice: Elaboration of European Position on the Conflict

Post-1976, a combination of factors, convinced the European states that the Palestinian aspect of their stand on Arab-Israeli conflict must be deepened. The need to energise the Euro-Arab dialogue provided the Nine with the
necessary impetus to proceed in this direction. Further, the election of Likud under Menachem Begin and his government’s strong settlement policy in the West Bank and Gaza Strip played a major role in toughening Europe’s attitude towards Israel. The London European Council meeting held on 29-30 June 1977, exactly a month after the Israeli elections, marked a decisive shift in European attitudes towards the conflict. It adopted a resolution, which declared that the legitimate right of the Palestinians should be expressed through a ‘homeland’. Article three of the London statement read:

The Nine have affirmed their belief that a solution to the conflict in the Middle East will be possible only if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact, which would take into account their need for a homeland for the Palestinian people. They consider that the representatives of the parties to the conflict including the Palestinian people must participate in the negotiations in an appropriate manner to be worked out in consultation between all the parties concerned.

The London resolution was truly a substantive innovation by the EC on the Palestinian issue. By identifying the Palestinian problem as the core of the conflict, the Community reversed the Israeli position that non-recognition of the state of Israel by the Arabs was the central issue. In addition, by stating that the Palestinians constituted a nation deserving a homeland, the Nine evoked the very basis of Jewish nationalism. The term also contained implications for establishment of a sovereign state for the Palestinians on the Occupied Territories – a situation unacceptable to both Likud and Labour parties at that time. The Europeans also called for the participation of Palestinian representatives in peace negotiations. This could mean that Israel would have to participate on an equal footing with the PLO, whose charter called for her destruction. The Arab states and Palestinians, although critical that the Declaration stopped short of recognising the PLO, considered it as a positive development; Israel rejected it.

However, the Declaration was effectively marginalised in the face of the events that took place in the remaining half of 1977: Egyptian president Anwar al-Sadat’s initiative (1977), the Camp David Agreements (1978), and–peace treaty between Israel and Egypt (1979). In the Camp David agreements, Egypt and Israel even included a provision for the solution of the Palestine problem. This solution did not envisage a sovereign state or a ‘homeland’ for the Palestinians; the central concept of the Israeli-Egyptian negotiations was ‘autonomy’ for the Palestinians living in the West Bank and Gaza Strip at least for five years. Thus the first major peace process in West Asia clashed with many elements of the Community’s London initiative.

The EC’s response to Sadat’s trip to Jerusalem was supportive but cautious.
The Community was wary of jeopardising the first significant attempt to bring peace in the region. On the other hand, it was also acutely aware that only a broader peace agreement that accounted for the Palestinian problem would solve the West Asian conflict. Sadat’s trip also signified acquiescence to the American-Israeli step-by-step approach as opposed to the Community’s stand in favour of an overall settlement leading to peace between Israel and her neighbours. Despite reservations, the EC in the Communiqué of 22 November 1977, expressed support for Sadat’s initiative, apparently under pressure from the American administration. President Jimmy Carter saw the Egyptian-Israeli peace as the first step in the process leading to a comprehensive peace between Israel and her neighbours. A European dissension from this framework would thwart the broad front he wanted to create for an American role in the peace process.

The European Community’s declaration of 19 September 1978, responding to the signing of the Camp David Accords between Egypt and Israel, though reserved, was generally favourable, reflecting the will of member countries supporting the American initiative. However, the Community reminded the parties that real peace in the region called for resolution of all the conflicts between the parties, a stand it had consistently maintained since the Brussels Declaration. This position was clearly reiterated by the German Foreign Minister on behalf of the Nine at the thirty-third session of the UN General Assembly on 26 September 1978. He asserted that “no obstacle should be placed in the way of this peace process which should be kept open and which through further development and wider participation lead to a comprehensive settlement” (Ifestos 445). He further emphasised the need for a peace settlement that “would take into account the need for a homeland for the Palestinian people” (ibid). In the same session, the Nine endorsed a UN Resolution severely condemning Jewish settlements in the occupied territories.

As the Camp David Accords gave way to the peace treaty between Israel and Egypt it became increasingly clear that “Begin saw the peace with Egypt as the end of the road. He was convinced that in return for relinquishing Sinai at Camp David he had secured Israel’s right to retain the West Bank” (Shlaim 1988: 20). The EC countries, uneasy with what appeared to be a truncated solution to the conflict, became more cautious, but were unable to discard the Camp David process altogether. This was reflected in the reserved but ambivalent European reception of the Egyptian-Israeli peace treaty of 26 March 1979. In a Communiqué issued on the same date, the EC stated thus:

The Nine express the hope that all parties concerned will avoid any statement or action which will impede the search for peace, such as the Israeli policy of settlements in the
occupied territories. . . While a difficult road remains before the implementation of United Nations Resolution 242 on all fronts, the Nine consider that the peace treaty (between Israel and Egypt) constitutes a correct application of the principles of that resolution.\(^8\)

While expressing the appreciation for Carter’s involvement in the peace process, the Nine stated that:

Negotiations can be given practical form soon in a \textit{comprehensive} agreement in which all the parties, including representatives of the Palestinian people, would participate and to which the international community could give its endorsement. They recall that as they [the Nine] said in their declaration of 29 June 1977, the establishment of a just place in the framework of a \textit{comprehensive} settlement.\(^9\)

By emphasising ‘comprehensive settlement’, the community sounded a dissenting note from the American step-by-step approach to peace in West Asia which bypassed the framework of the United Nations. However, in calling the Begin-Sadat treaty as the ‘first step’ in the solution of the conflict, the Community implicitly accepted the Camp David process, which was a manifestation of the American approach. The Nine castigated Israel by naming the Jewish settlements in the Occupied Territories as obstacles in the path of peace. This became evident in the next declaration of the Community.

The ambivalence of the March declaration soon gave way to a more strident note in the Community’s declaration of 18 June 1979, in which, the Nine dissociated themselves from Camp David Accords. As the basis of a comprehensive settlement, they cited United Nations Security Council resolutions and 1977 London Declaration, without even mentioning the Egypt-Israel treaty. Speaking on behalf of the Nine and as President in office of the EEC Council, Irish Foreign Minister Michael O’Kennedy, at the thirty-fourth session of the United Nations General Assembly on 24 September 1979, “referred to the necessity of all the parties concerned in the conflict ‘including the Palestinian Liberation Organisation’ to use certain Security Council Resolutions along with certain other principles as “an essential framework for a peace settlement”(Weiler 1987: 41). This was the first time that the PLO was mentioned in a Community statement. On 1 March 1980, the Nine voted for a resolution in the United Nations General Assembly, which condemned Israeli settlements in Arab occupied territories, including Jerusalem.
A series of events towards the end of 1979, such as the Iranian Revolution, the Mecca Mosque incident, and the Soviet intervention in Afghanistan increased instability in West Asia and threatened vital European interests in the region. The Arab countries put increasing pressure on the European Community to play a more active role, and present its own proposals for a peace settlement, separate from the American efforts. Against the background of failed autonomy talks under Camp David, the Community realised that some kind of peace initiative was necessary to keep the diplomatic momentum from collapsing completely.

In the European capital a consensus seemed to emerge around three aspects: first to modify the UN Security Council Resolution 242 by replacing the word 'refugees' with the word 'Palestinians'; secondly, recognising the right of the Palestinians to self-determination, which would make them a partner in the comprehensive peace settlement; and thirdly, to recognize the PLO as the sole legitimate representative of the Palestinian people in future talks. The impasse over negotiations on Palestinian autonomy had set the stage for major European initiative. The Nine engaged in broad diplomatic moves to prepare the ground for the forthcoming initiative.

At the governmental level, individual countries and their representatives took steps, in terms of issuing declarations and statements, in favour of Palestinian rights and the PLO. France – under the presidency of Giscard d’Estaing – once again played a major role in persuading the other EC-members towards a more pro-Palestinian posture. During his tour of the Gulf countries in March 1980, the French President stressed that the Palestinian question was not merely a refugee problem, but the problem of a people and upheld the Palestinian right to self-determination. Shortly after the French president’s visit to the West Asian capitals, Foreign Minister Henri Simonet told the Belgian Parliament that the French position was, in fact, the position of the Community. The revision of position of individual European countries vis-à-vis the PLO in 1979 and early 1980, generated an atmosphere conducive for a major European initiative.

The imminence of this initiative caused a great deal of irritation to the
Carter administration, which pressured EC countries close to the United States. President Carter threatened to use the veto power in the Security Council to stop any effort to change Resolution 242. Carter had staked his personal prestige in the Camp David process and he wished to present it as a major foreign policy success in his re-election campaign (Shindler 2002: 97-8). Moreover, he believed that the centrality of Camp David in the peace making efforts in West Asia would ensure the continued prominence of US in West Asia. As Bichara Khader (1984: 172) points out, “for the United States any European Declaration was perceived as suspect, since it increased European independence in relation to American policy in the region. In addition, with the presidential elections approaching, Carter saw it as an implicit rejection of the Camp David process of which he was the architect or, at least, a lack of faith in the effectiveness of this process.”

The American pressure on the Community was alleviated only when the EEC Council President, Emilio Colombo, assured US Secretary of State Edmund Muskie that the European initiative would be constructive and not prejudicial to the Camp David process. Greilsammer and Weiler (1987: 46) believe that ‘the American pressure succeeded in making the Venice Declaration more “moderate” than …expected.’ The Israelis joined the Americans in opposing a European initiative, which could kick off a process distinct from Camp David.

The Venice Declaration: Highpoint of Declaratory Diplomacy

On 13 June 1980, the Heads of State, meeting at the European Council in Venice, adopted a declaration that incorporated all the shifts made towards the recognition of Palestinian rights. Although it did not go as far as some had expected, it was, however, both a landmark and the zenith of collective European-West Asian diplomacy. While affirming the position evolved in all their previous declarations, the Nine pronounced themselves for Palestinian right of ‘self-determination’

A just solution must be found to the Palestinian problem, which is not simply one of refugees. The Palestinian people, who are conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of comprehensive peace settlement, to exercise fully their right to self-determination.10

They declared that a ‘just, lasting and comprehensive solution’, required the involvement and support of all concerned parties, including ‘the PLO, which will have to be associated with the negotiations’. The EC member-states were forthright
on the status and future of Jerusalem when they stated that ‘any unilateral initiative designed to change the status of Jerusalem’ was ‘unacceptable’ and that ‘any agreement on the city’s status should guarantee freedom of access for everyone to the Holy Places.’ The Declaration condemned the Israeli settlements in the occupied territories in no uncertain terms calling them ‘illegal’ and ‘obstacles to peace’.11

It is important to note here that the Community failed to mention a Palestinian state, an exclusive role for the PLO as representative of the Palestinian people, or a change in Resolution 242 to replace the word ‘refugees’ with the word ‘Palestinians’. In terms of providing a role for EC in the West Asian peace process, the Declaration proved to be a failure as both the Israeli and Palestinian sides reacted negatively to it. For Israel, the Declaration seemed to confirm EC’s anti-Israel stand. The Israeli cabinet denounced the European appeal in favour of PLO’s association with the peace negotiations and called the Venice Declaration ‘a Munich-like capitulation’ (Hollis 1994: 125). Joel Peters (1999: 299) remarks, ‘the Venice Declaration marked a low point in Israel’s relations with the European Community from which it has never fully recovered.’

The Arabs too expressed great disappointment with the Declaration. Although the Declaration acknowledged that the Palestinian problem “was not simply one of refugees,” it stopped short of a call to modify the UN Resolution 242. It also did not meet the PLO’s hope of being recognized as the legitimate representative of the Palestinians by the European powers. Egypt, still expecting the initiation of tripartite autonomy talks, did not openly refute or support it. However, with the stalling of Palestinian autonomy talks by Israel, Sadat increasingly supported the Venice Declaration. While Jordan saw the declaration as a positive development, Saudi Arabia saw in it a chance to settle the Arab-Israeli conflict. The Venice Declaration had failed to satisfy either of the parties (PLO and Israel) to the conflict, and therefore, had a minimal impact on the peace process at that time.

Despite its rejection by the two main parties, the importance of the declaration at Venice lay in the fact that it was “both a development towards a comprehensive European attitude towards the Middle East and ... a manifestation of the EC as a fairly independent international actor” (Dosenrode and Stubkjær: 99). The Declaration was to constitute the basic principles of European policy towards the peace process in West Asia. Since then, the Venice Declaration has been reiterated and affirmed several times by the Europeans. It was the high point in the evolution
of EC’s attitude and position on the conflict.

In 1971 the EC joint statement merely repeated the main elements of Resolution 242 but in 1973, the Nine spoke of the ‘legitimate rights of the Palestinians’ instead of referring to them as ‘Arab refugees’. In the declaration of 1977, the EC’s position became more nuanced, when it defined those rights in terms of a ‘homeland’ for the Palestinian people. The shift from ‘Arab refugees’ to ‘Palestinian people’ was significant. It implied the existence of a distinct group of people requiring a land for the expression of their national identity. The Venice Declaration went further to affirm the right to ‘self-determination of the Palestinian people’. Thus the Palestinians were not just a nation in terms of ethnic or linguistic criteria but as people conscious of their nationhood. This was the exact opposite of the Israeli-American position, which did not recognize the independent identity of the Palestinians.

The Venice Declaration was the culmination of the process of formulation of European position on the Palestinian-Israeli issue. There were three crucial aspects of this position: i) recognition of Palestinians as people and their national rights; ii) recognition of the need for the PLO to be involved in negotiations concerning the political fate of the Palestinians; and iii) the recognition of the need for comprehensive negotiation involving all the parties to the larger Arab-Israeli conflict, which would bring peace and security for every country in the region. The Europeans have, over the years, upheld these principles, especially the Palestinian right to self-determination. With almost all the key aspects of their stance now accepted in the discourse on peace process in West Asia, the European leaders often cite the historical foresight of their position and its enduring validity.

Conclusion

Declarations undoubtedly have been the most popular diplomatic instrument of the European Community to elaborate their position on the Palestinian-Israeli conflict. The fact that they remained purely rhetorical without becoming templates for European actions on the ground served the Community well. With every declaration the European countries were able to surmount their different approaches towards the conflict and enhance their goal of presenting Europe as a serious player in the resolution of the conflict. The declarations, politically anodyne, did not come in the way of American diplomacy in the region, which saved Europeans of any clash with their trans-Atlantic ally. A pro-active initiative of the EC in the form of Euro-Arab dialogue did introduce some strain in the Euro-American relationship.
Nonetheless, the EC was quick to realize that any substantive intervention would rupture the post-World War II political and economic order sustained by the Americans, which ensured European security.

When the Community pooled their potential by cooperating on the West Asian conflict, they created a position of strength that was not easily dismissible by either the United States or Israel. The fact that nine democratic states collectively agreed on a view of the conflict granted certain legitimacy to their pronouncements and put the opponents on the defensive. Although, they always referred to Israel’s right to secure borders, the EC’s position differed from Israel on all other points. The Europeans in their initiatives appeared to be much more attentive to their links with the Arab side, which seriously compromised their role as a mediator in peace negotiations. The Community – not in a position to play a direct role as the United States in the conflict – aimed at evolving a broad framework of policy considerations toward which they hoped the parties would gravitate.

Notes
1. Resolution 242 passed by the United Nations Security Council in the wake of the Arab-Israeli June War in 1967 remains the official basis for negotiations to resolve the result of the 1967 war. It called for the: i) withdrawal of armed forces from territories occupied in the recent conflict; ii) termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and unrecognized boundaries free from threats and acts of force. It further affirmed the necessity ‘for achieving a just settlement of the refugee problem’. Source: Fraser, T.G. (1980): The Middle East 1914-1979, London: E. Arnold: 117.
6. Ibid.: 95.
11. Ibid.

References
Lieber, Robert (1976), Oil and the Middle East War: Europe and the Energy Crisis, Harvard University: Centre for International Affairs.
Sicherman, Harvey (1985): “Europe’s role in the Middle East: Illusions and
The trajectory of Mahatma Gandhi’s position on Zionism and the Palestine question is perceived by many as controversial. Mahatma Gandhi’s major statement on the Palestine and the Jewish question appeared in his widely circulated editorial in the *Harijan* of 11 November 1938, a time when intense struggle between the Palestinian Arabs and the immigrant Jews had been on the anvil in Palestine. His views came in the context of severe pressure on him, especially from the Zionist quarters, to issue a statement on the problem. Therefore, he started his piece by saying that his sympathies are all with the Jews, who as a people were subjected to inhuman treatment and persecution for a long time (Gandhi 1938; Murti 1970).

But my sympathy does not blind me to the requirements of justice. The cry for the national home for the Jews does not make much appeal to me. The sanction for it is sought in the Bible and in the tenacity with which the Jews have hankered after their return to Palestine. Why should they not, like other peoples of the earth, make that country their home where they are born and where they earn their livelihood?”(Ibid).

He thus questioned the very foundational logic of political Zionism. Gandhi rejected the idea of a Jewish State in the Promised Land by pointing out that the “Palestine of the Biblical conception is not a geographical tract”(Ibid.: 397). The Zionists, after embarking upon a policy of colonisation of Palestine and after getting British recognition through the Balfour Declaration of 1917 for “the establishment in Palestine of a national home for the Jews,” tried to elicit maximum international support. The Jewish leaders were keen to get an approval for Zionism from Gandhi as his international fame as the leader of a non-violent national struggle against imperialism would provide great impetus for the Jewish cause. But his position was one of total disapproval of the Zionist project both for political and religious reasons. He was against the attempts of the British mandate government in Palestine toeing the Zionist line of imposing itself on the Palestinians in the name of establishing a Jewish national home. Gandhi’s *Harijan* editorial is an emphatic assertion of the rights of the Arabs in Palestine. The following oft-quoted lines exemplify his position:

Palestine belongs to the Arabs in the same sense that England belongs to the English or France to the French. It is wrong and inhuman to impose the Jews on the Arabs... Surely it would be a crime against humanity to
reduce the proud Arabs so that Palestine can be restored to the Jews partly or wholly as their national home (Ibid.: 394-95).

Gandhi’s response to Zionism and the Palestine question contains different layers of meaning, ranging from an ethical position to political realism. What is interesting is that Gandhi, who firmly believed in the inseparability of religion and politics, had been consistently and vehemently rejecting the cultural and religious nationalism of the Zionists. What follows then is that he was not for religion functioning as a political ideology; rather, he wanted religion to provide an ethical dimension to nation-state politics. Such a difference was vital as far as Gandhi was concerned. A uni-religious justification for claiming a nation-state, as in the case of Zionism, did not appeal to him in any sense.

The history of Palestine in the first half of this century has been characterised by the contention between two kinds of nationalism: Zionism and Palestinian Arab nationalism—the former striving for creating a Jewish nation in Palestine by colonising its land through massive Jewish immigration and the latter struggling for freedom of the inhabitants of the land of Palestine from colonial and imperialist control. Gandhi, as the leader of the national struggle and the Indian National Congress (the organisation embodying that struggle), had been actively engaged during the 1930s and 1940s in moulding the perception of the people of India to the nationalist and anti-imperialist struggles in the Arab world. The 1937 Calcutta meeting of the All India Congress Committee (AICC) “emphatically protested against the reign of terror as well as the partition proposals relating to Palestine” and expressed the solidarity of the Indian people with the Arab peoples’ struggle for national freedom (Tendulkar 1962: 207). The Delhi AICC of September 1938 said in its resolution that Britain should leave the Jews and the Arabs to amicably settle the issues between the two parties, and it urged the Jews “not to take shelter behind British Imperialism”(Ibid.: 276). Gandhi wanted the Jews in Palestine to seek the goodwill of the Arabs by discarding “the help of the British bayonet” (Murti 1970: 397).

Gandhi and the Congress thus openly supported Palestinian Arab nationalism, and Gandhi was more emphatic in the rejection of Zionist nationalism. The major political driving force in such a position was the common legacy of anti-imperialist struggle of the Indians and the Palestinians. Gandhi’s views on the Zionist doctrine and his firm commitment to the Palestinian cause starting from the 1930s obviously influenced independent India’s position on the Palestine issue.

Gandhi’s prescription for the Jews in Germany and the Arabs in Palestine was non-violent resistance. With regard to the Jewish problem in Germany, Gandhi noted, “I am convinced that if someone with courage and vision can
arise among them to lead them in non-violent action, the winter of their despair can, in the twinkling of an eye, be turned into the summer of hope" (Ibid.: 396-97). His views on Zionism and his prescription of non-violent action and self-sacrifice to the Jews in Germany generated reactions ranging from anger to despair. Famous Jewish pacifists, Martin Buber, Judah Magnes and Hayim Greenberg, who otherwise admired Gandhi, felt “highly offended by Gandhi’s anti-Zionism” (King 1991: 178) and criticised him for his lack of understanding of the spirit of Zionism. Martin Buber, in a long reply to Gandhi’s Harijan editorial, remarked, “You are only concerned, Mahatma, with the “right of possession” on the one side; you do not consider the right to a piece of free land on the other side - for those who are hungering for it” (Buber in Mendes-Flohr 1983: 122).

As stated earlier, Gandhi refused to view the Zionist “hunger” for land in Palestine as a right. Gandhi wrote on 7 January 1939 in response to an editorial in the Statesman: “I hold that non-violence is not merely a personal virtue. It is also a social virtue to be cultivated like the other virtues. Surely society is largely regulated by the expression of non-violence in its mutual dealing. What I ask for is an extension of it on a larger, national and international scale” (Murti 1970: 399-400).

Also, it is significant to note that, as far as Gandhi was concerned, non-violent action was not pacifism or a defensive activity but a way of waging war. This war without violence also requires discipline, training and the assessment of the strength and weakness of the enemy. Blair Kinf notes that the full meaning of Gandhi’s idea of non-violent resistance was never grasped by many who responded to his writing on Zionism. This was mainly because “Satyagraha as an ideology was still
unsystematized” (King 1991: 177). It was only in the 1960s that Gandhian ways of struggle acquired demonstrative meaning outside India, especially in the Western world. Further, writers like Gene Sharp gave a systematic shape to Gandhi’s thought on non-violence (Sharp 1970; Sharp 1973). Through various movements internationally and through such writings, now the idea of non-violent action transcends the cultural and geographic boundaries. King is of the view that if the full meaning of the Gandhian notion of non-violence and such techniques were understood and available to the Jews of Europe in the 1930s and 1940s, “it could have strengthened their resistance and perhaps saved thousands of lives” (King 1991: 194).

According to Paul Power, four factors influenced Gandhi’s position on Zionism:

First, he was sensitive about the ideas of Muslim Indians who were anti-Zionists because of their sympathy for Middle Eastern Arabs opposed to the Jewish National Home; second, he objected to any Zionist methods inconsistent with his way of non-violence; third, he found Zionism contrary to his pluralistic nationalism, which excludes the establishment of any State based solely or mainly on one religion; and fourth, he apparently believed it imprudent to complicate his relations with the British, who held the mandate in Palestine (Power 1960:75).

Many Western writers attributed Gandhi’s anti-Zionism to his affinity towards, or eagerness to win the friendship, of Indian Muslims. In response to Gandhi’s Harijan article, the Jewish Frontier published from New York, in its March issue, among other things, accused Gandhi of taking a pro-Arab position due to the influence of the Indian Muslim factor. Gandhi’s reply to this accusation, written on 27 May 1939, reads thus:

The ... charge of the writer is... serious. He thinks that my zeal for Hindu-Muslim unity made me partial to the Arab presentation of the case, especially as that side was naturally emphasised in India. I have often said that I would not sell the truth for the sake of India’s deliverance. Much less would I do so for winning friendship (Murti 1970: 406).
It is interesting to note that even though he wrote the *Harijan* piece “at the pressing request of Jewish friends and correspondents,” Gandhi was never blinded by Zionist pressure. He said: “As I decided to write, I could not do so in any other manner.” It was not any immediate pressure that shaped what Gandhi wanted to say on the issue of Zionism and on the future of Palestine. He said he did not write the article “only for today.” He believed that his writings will survive him and “will be of service to causes for which they have been written” (Ibid.: 405). This clarity of purpose and vision with which Gandhi spoke for the Palestinian cause remained at the root of Indian people’s understanding and responsiveness towards the plight of the Palestinians.

Gandhi withstood almost all Zionist attempts at extracting a pro-Zionist stance from him. G.H. Jansen wrote about the failure of Zionist lobbying with Gandhi: “His opposition [to Zionism] remained consistent over a period of nearly 20 years and remained firm despite skilful and varied applications to him of that combination of pressure and persuasion known as lobbying, of which the Zionists are past masters” (Jansen 1966: 27).

Apart from responses to Gandhi’s anti-Zionism from Jewish pacifists such as Buber, Magnes and Greenberg, Jansen points out at least four separate instances of Zionist attempts to get a favourable statement from Gandhi. At first, Hermann Kallenbach, Gandhi’s Jewish friend in South Africa, came to India in 1937 and stayed for weeks with Gandhi trying to convince him of the merits of the Zionist cause. Then, in the 1930s, as requested by Rabbi Stephen Wise, the American pacifist John Haynes Holmes, tried “to obtain from Gandhi a declaration favourable to Zionism.” In March 1946, a British MP from the Labour Party, Sydney Silverman, an advocate of Indian independence in Britain, attempted to change Gandhi’s mind. At the end of their heated conversation, Gandhi stated that “after all our talk, I am unable to revise the opinion I gave you in the beginning.” The fourth Zionist attempt to change Gandhi’s mind was by Louis Fischer, Gandhi’s famous biographer, to whom Gandhi reported to have said that “the Jews have a good case” (Ibid.; Fischer 1951: 455).

Later, Gandhi clarified in one of his final pieces on Zionism and the Palestine question on 14 July 1946 that “I did say some such thing in the course of a conversation with Mr. Louis Fischer on the subject.” He added, “I do believe that the Jews have been cruelly wronged by the world” (Tendulkar 1969: 158). Gandhi went back to his initial position by categorically stating that “they [the Jews] have erred grievously in seeking to impose themselves
on Palestine with the aid of America and Britain and now with the aid of naked terrorism... Why should they depend on American money or British arms for forcing themselves on an unwelcome land? Why should they resort to terrorism to make good their forcible landing in Palestine?” (Ibid.: 158-59).

There were an influential number of Jews who thought that force, only force, could ensure the establishment of a Jewish national home in Palestine. They adopted terrorism as the method to achieve their national goal. This policy of subjugation of the Palestinians by Zionist terror was totally rejected by Gandhi in no uncertain terms.

A few months before his assassination, Gandhi answered the question “What is the solution to the Palestine problem?” raised by Doon Campbell of Reuters:

It has become a problem which seems almost insoluble. If I were a Jew, I would tell them: “Do not be so silly as to resort to terrorism... The Jews should meet the Arabs, make friends with them and not depend on British aid or American aid, save what descends from Jehovah (Ibid.: 390).

What emerges from the above analysis is Gandhi’s fairly consistent rejection of the Zionist ideology and politics.

References
West Asia in Transition: 
In Conversation with K.R. Singh

K.R. SINGH / K.M. SEETHI

Historically, Britain had a vital role in the politics of West Asia which led to many tectonic changes in the strategic landscape of the region. How do you assess this role of Britain in the region in the pre-War period and what led to the strategic shift in the post-War conditions?

The strategic landscape of West Asia, over a century, was dictated heavily by the British imperial life-line. Three inputs around mid-nineteenth century had shaped the British strategy. The first was the takeover by the British Crown of India from the East India Company. The second was the replacement of wooden sailing ships with iron ships propelled by steam. That removed the constraints of dependence upon fair wind as also the size of the ship. The third was the opening of the Suez Canal in 1869. Thus, the Suez route replaced the Cape route. All these factors made West Asia strategically significant in the context of British imperial life-line.

However, over years, the British policy sought to protect the territorial integrity of the Ottoman Empire to prevent Russia from entering the Mediterranean via the Black Sea. Britain also occupied Egypt and purchased major shares in the Suez Canal Company. After World War I, after the Arab territory of the Ottoman empire was parcelled out as Mandates, Britain acquired Palestine, Trans-Jordan and Iraq, thereby further strengthening its hold over the sea lanes. Britain was dealt a major blow in 1956 when President Nasser nationalised the Suez Canal Company. Britain reacted by attacking Egypt along with France and Israel. However, it had to withdraw under international pressure. By the sixties, Britain had decided to withdraw from the East of Suez sensing its vulnerabilities. Thereafter the British strategy had shifted to Europe and the NATO. It was in this changing strategic landscape of West Asia that Britain was replaced by the United States which had set its own agenda not only in the region but across the world.

What was the role of ideology in the making of modern state-system in West Asia? Did it have any impact on the strategic landscape of the region?

The emergence of new indigenous concepts like Arabiya (Arab nationalism), Wataniyya (State patriotism) and Ummah (pan-Islamic solidarity), along with Zionism, have had an abiding influence on the politico-strategic architecture of modern West Asia. These new indigenous concepts, combined with other concepts like liberalism, socialism and even communism gave a new shape to modern

Democracy, Human Rights and Kashmir
ideologies in West Asia which continued to influence the region in different ways and at different times.

It may be noted that the demise of the Ottoman Sultanate as well as of the Caliphate left a religious-cum-political void among the Sunni Muslims. This ultimately led to the emergence of several new political entities like Turkey, Iraq, Syria, Lebanon, Palestine and Trans-Jordan. Also the core of Arabian Peninsula witnessed the formation of Saudi Arabia. However, the Turkish system had several peculiarities which not many West Asian countries share even today. Instead of relying too much on Arabism and pan-Islamism, Turkey went on a path which more or less represented a European model with secular-liberal values dictating the contours of its polity and foreign policy. Yet, Turkey never sought to abandon its Turkish identify, including their culture and language. Ironically, though Turkey has long been a member of NATO, its entry into European Union has been blocked within the EU itself. Religion could be a factor here, but, Turkey is still longing to get identified with Europe rather than West Asia.

The United States’ relation with countries in West Asia and the Gulf has been a critical theme of global politics for long. How do you look at the scenario historically, particularly in the context of its perceptions and policies towards Iran?

Whenever the United States accuses some governments or regimes of human rights violations, we can assume that it may be a prelude to an invasion or intervention in the country concerned. The time has come to rethink about the widely held-perception that the Shah of Iran was a stooge of American imperialism. The fact of the matter was that the US tried to undermine the position of the Shah even in the mid-1970s and stopped military assistance. During the crucial period of Iranian revolution, the US had even propped up a section of Shia community against the Shah regime. The Shah, on the other hand, had banked upon the Soviet Union for military assistance. The Soviet Union had, in fact, been interested to sustain its friendly relations with Iran and, in the post-socialist phase also Russia continues this pattern of friendship for geo-political and geo-strategic reasons.

What led to the emergence of the United States as a key player in the post-war period?

During the mid-twentieth century, West Asia witnessed major geo-strategic restructuring at least in two fields. The first was the erosion of the military and economic base of European powers during the war and hence of
their capability to dominate West Asia. That decline also meant that the British strategy of protecting the Imperial Life-line was no longer viable. UK was gradually replaced by the US as the dominant Western power. It coincided with the commencement of the Cold War. Hence, for the US, at least during the first two decades of the post-war period, this region was important in the context of nuclear confrontation between the two superpowers. The US nuclear strategy was based upon delivering of nuclear warhead by manned bomber during the first decade and subsequently by missiles, both land-based (Jupiter) as also sea-based (Polaris). Thus, while the so-called Northern Tier from Turkey to Pakistan was strategically significant till about early 1960s, the Mediterranean and the Arabian Sea (Indian Ocean) assumed greater strategic significance during the sixties and the seventies. These areas lost their strategic significance in subsequent years when energy security and Arab-Israeli disputes became issues of prime concern.

*How do you look at the Arab-Israeli confrontation? What has been the role of the United States in the conflict?*

The Arab-Israeli confrontation at the level of states is on a much lower scale today than it was in the past. There is, yet, no peace but there is no threat of war between states. Confrontation has now shifted between the state of Israel and actors like the Hamas. The Arab-Israeli relations “are even today modelled primarily upon the continuing confrontation since the past six decades. It is much more the legacy of the still unresolved Palestinian problem, the Arab- defeat in the 1948 war and the Arab League resolution of the 1950s which spoke of ‘no recognition, no negotiation, no peace’ between Arabs and Israel.” Thus, rejectionism and continued confrontation at various levels by state and non-state actors became the terms of relations between Arabs and Israel. About the role of the United States in West Asia, much would depend on the lobbying of the Jewish pressure group in the United States. As long as the Jewish lobby did not permit, Washington’s capability to restrain Israel would be very much limited.

*Is there any basic shift in India’s policy towards Israel?*

There wasn’t any real ‘shift’ in India’s policy as such, but it could be seen as an enhancement of relations from one level to the other. The process was started way back in the 1950s, and it went through different stages in the 1960s, 1970s and 1990s.

*The Palestine question is now moving towards a new stage in history. How do you evaluate the situation?*

The Palestinian tragedy is related to two sets of betrayals. The first betrayal was by liberal-democratic world that not only refused to grant the
people inhabiting the mandated territory of Palestine the right of self-determination but also divided the territory to give a minority an independent state. The second betrayal was by the Arabs who, while seeking to represent the interests of the Palestinian Arabs, occupied the territory allocated to them under the General Assembly’s partition resolution. It was Trans-Jordan which incorporated West Bank and the old city of Jerusalem to form the new state of Jordan. Egypt had occupied the Gaza Strip and retained it as a province. Thus, within one year, Palestinians lost their ‘Statehood’ as also their territory and were reduced to the level of refugees in their own homeland in Gaza and West Bank. The Palestinian situation today is caught between two sets of hardliners who have non-negotiable set of demands. For Jews, the territory is ‘God’s Gift’ to them. For the Palestinians, it is a waqf and hence non-negotiable. Under such circumstances, negotiated settlement is not possible for some time to come. It will have serious repercussions for peace and stability in the region, besides adding fuel to fire of so called international jihadi movement.

The energy question is seriously affecting the survival of many countries in the world today. There are also attempts to monopolise the energy sources. What has been the significance of the West Asian region in the whole energy scenario?

Uninterrupted supply of various sources of commercial energy at affordable price is a matter of global concern. Oil and natural gas are an important component of the global energy package. The Persian Gulf region that produces large quantity of exportable oil, besides having vast reserves of oil and gas, thus assumes strategic significance in the context of global energy security. The US policy towards this region and, by extension, towards the Indian Ocean, was given a definite shape following the first oil shock of 1973-74 when Arabs refused to sell oil to the United States. The large-scale presence of foreign troops in the Gulf is linked to the sense of energy insecurity among OECD states for the following reasons: Since 1970 their consumption of commercial energy almost doubled while the production has lagged far behind. This is especially true of oil. In 2005 the global consumption of oil was about 84 million barrels per day (mbp). Of that, OECD states consumed 49.9 mbd or about 60 per cent of world total. By contract, they produced only 21 mbp or 22 per cent world total. This dependency on import is likely to grow on further. The Gulf has certainly acquired strategic significance in this scenario. It is not only a major producer of oil but also a major exporter capable of balancing global oil markets. The US policy, as leader of OECD, has changed since the early 1990s from threatening to occupy oil fields to one of physical occupation. In the light of global energy insecurity, that policy is not likely to change in the near future.
There have been debates about ‘militant Islam’ in West Asia as well as in South Asia. How do you analyse the emerging challenges from ‘militant Islam’?

The pattern of resurgent Islam that had begun in mid-nineteenth century continues today but much more virulently. The roots of contemporary Islamic radicalism need to be searched in the Islamic resurgence since the mid-nineteenth century when the Islamic elite began to debate the reasons for the decline of great Muslim powers like the Ottoman, Persian and Mughal empires. It led to the creation of two trends or schools of thought: the rejectionists and the assimilationists. These trends got support from the ruling elites, thereby giving a political orientation to the theological debate. The Radical Islam got a boost since the Iranian revolution and the Soviet intervention in Afghanistan. The Afghan crisis evoked a different set of responses. The resistance was not based on Afghan nationalism, but on Islamic Jihad. It led to the formation of different armed groups that represented ethnic and geographical loyalties rather than on Afghan resistance per se. Thus, the concept of Jihad was deliberately fostered by Pakistan, Saudi Arabia and the US for their own different reasons. An attempt was also made to send radical Islamists from all over the world. The West is now facing the backlash of their own deeds in the past. India has been unwillingly sucked into the neo-cold war or war on terror. The question here is whether India has a coherent policy to respond to these challenges.
Traditionally the power capability of a country has been largely perceived to be dependent on economic, military and technological factors and it is in this framework that the question as to whether or not India is an emerging power has become a debatable one. However, it is not just power in the traditional sense alone that determines or should determine the status of a country in global politics. The acceptability of a country by the world community needs to be acquired through the promotion of progressive causes and advocacy of universal values and principles such as that of human rights and democracy. A pre-requisite for such action is of course the existence of such values at the domestic level. It is indeed questionable whether a country can be considered to have become a respected player in international politics if it is unable to safeguard and promote the needs and aspirations of its own citizens. Moreover such countries would find it difficult to find space in the international arena given the tendency to place human rights issues on the international agenda by detracting countries.

Much has been written on India’s emergence on the world’s scene. India’s search for great power status in the post Cold War liberalisation phase saw a policy formulation directed along the economic and military strategic path. A shift from certain basic principles including the emphasis on anti-imperialism, anti-colonialism, nuclear disarmament, demand for a new international order, non-alignment, etc. has been evident. More recent years have seen a pre-occupation with maximising the country’s power capability by becoming an economic and political power with nuclear weapons capability. Non-alignment has given way to an alignment with the west. India claims that its growing economic status should give it more power in global diplomacy, seeking a permanent seat on the United Nations Security Council and a leading role in the Non Aligned Movement and the Commonwealth. Yet it has been unable to show that it can play a serious role in advocating adherence to international human rights standards. India has failed to actively promote democracy and human rights in response to various recent crises. More importantly, the human rights situation in Kashmir has been frequently raised at international forums. Various governments and international organisations, including the human rights bodies of the United Nations, Amnesty International, Asia Watch, Human Rights Watch, etc have
over the years raised serious concerns regarding the human rights situation in Kashmir. Since the early 1990s, Amnesty International has issued a series of reports and statements on the human rights situation in Kashmir detailing in particular arbitrary detentions, enforced disappearances and extrajudicial executions.

In June 2010 the issue of human rights in Kashmir once again became the focus of attention at the national and international levels. The latest round of international opprobrium arose over extrajudicial executions in Kashmir that commenced after the authorities exhumed the remains of three young men allegedly killed by the Indian security forces at Machil in Baramulla district after they had been promised jobs as casual labourers for the security personnel stationed near the Line of Control (LoC) between India and Pakistan. This spark that ignited public anger was followed by the killing of seventeen year old Tufail Ahmad Mattoo by a teargas bullet on 11 June, resulting in a vicious circle of protest demonstrations, clashes with the police and Central Reserve Police Force (CRPF) in which others also lost their lives. By 29 June, fifteen civilians, all of them in the age group of nine to twenty five, fell to the bullets of the CRPF and the police. This was the first time that the Indian army was deployed in Srinagar to deal with clashes.

Amnesty International expressed serious concern over the deaths of the youths and demanded an investigation by independent and impartial bodies into all extra judicial killings in Kashmir. It urged the Indian government to allow the UN Special Rapporteur on extra judicial summary execution to visit the state to make an on the spot study of cases of fake encounters in the state. It urged the Governments of India and Jammu and Kashmir to: issue orders unequivocally prohibiting all extrajudicial, summary and arbitrary executions and clarifying that such acts will not be tolerated, and ensure that these orders are promulgated throughout the security forces; remove all legal provisions including repealing the Armed Forces Special Powers (Jammu and Kashmir) Act (AFSPA) that grants immunity to security forces personnel and prevent prosecution of those suspected of responsibility for offences involving human rights violations, and ensure prosecution in proceedings which meet international fair trial standards; ensure that the relatives of those found to be extrajudicially executed are granted full reparations, in accordance with international standards; facilitate the long-standing requests for visits to Jammu and Kashmir, by the UN Special Rapporteur on extrajudicial, summary or arbitrary executions, and the UN Working Group on Enforced or Involuntary Disappearances by setting dates for them to undertake missions in the near future (Amnesty International,
2010 b). It also called for permitting access to international human rights organisations. In its public statement of 2 July 2010 Amnesty International also reminded the Indian authorities that they have an obligation to protect the right to life in accordance with international law. This includes the International Covenant on Civil and Political Rights, to which India is a state party. The fragile democracy in Kashmir has over the years been going through unending cycles of violence, insurgency, counter-insurgency and human rights violations.

The instances of violence and counter violence and the popular discontent in Kashmir cannot be seen in isolation, but needs to be viewed in the specific context of the historical background of the state of democracy in the region.

The roots of discontent

With the dominant discourse on Kashmir, characterising the situation in the state as a manifestation of a territorial dispute between India and Pakistan, and a matter of national security and prestige, the situation in Kashmir is often viewed in terms of the Indian state vs. Pakistani sponsored terrorism. However, there are larger questions involved in the issue of Kashmir – questions relating to militancy, human rights violations and the denial of democracy, These have emerged as a fallout of the policies adopted by various Indian governments and the sense of alienation among the people of Kashmir (Joseph 2000: 42).

The present situation in Kashmir needs to be viewed in the historical context of the denial of democracy, civil liberties, and human rights in the region. In the early years after independence, the nationalist leadership was committed to certain notions of regional autonomy within the framework of the nation state. This idea was discarded during subsequent decades, leading to a growing feeling of anger and alienation. To the Centre’s failure to appreciate basic aspirations for autonomy and identity was added the denial of democratic rights to the people. Democratic institutions were not allowed to acquire roots. Political processes were disrupted through manipulation by the Centre and political elite. One party rule was imposed through the manipulation of elections and prevention of opposition parties from being strengthened. Democratically elected leaders were removed through central intervention and democratic movements were repressed. The consequent feeling of alienation of the people and the lack of democratic outlets for popular discontent contributed to the cycles of insurgency and repression. The socio-economic consequences enhanced popular discontent in Kashmir. Pakistan
added fuel to the fire with material help and by raising the issue at international forums.

The insurgency in Jammu and Kashmir is thus the result of the alienation of a substantial section of the population from the Indian state and from their own elected representatives. As is well known, Jammu and Kashmir acceded to the Indian Union under very special circumstances in 1947. In order to fight the Pakistani-backed invasion of tribal raiders, Maharaja Hari Singh needed the services of the Indian Army. Despite the role of Sheikh Abdullah in rallying the Kashmiri people to support the accession to India, a suspicious Indian government incarcerated him for most of the period from 1953 to 1975. In the meantime, making use of pliable governments elected through processes generally believed to have been rigged in favour of the ruling party, most of the autonomy given to the state under Article 370, as existing in 1952, was systematically taken away by successive Union governments. This deepened the alienation in the valley and increased anti-Indian sentiments. Though Pakistan continued to support secessionist forces in Kashmir from 1947 onwards, the critical event that led to a major insurgency in the Valley from 1989 is widely believed to be the elections of 1987. There was a major challenge to the ruling National Conference from a coalition of parties grouped under the Muslim United Front (MUF) in the Valley. Contrary to popular expectations and predictions, the MUF was routed in elections believed to have been massively rigged by the National Conference (NC). This sharpened popular alienation from both the Union government as well as the major pro-Indian party, the NC, and thus reportedly created the political and social base for the bloody insurgency that persists even today. The insurgency and counter-insurgency operations by the army, para-military forces, police and surrendered militants have created a vicious circle of violence (Chenoy 2000).

Human Rights and Democracy in Kashmir

Over the years Indian civil rights groups as well as international human rights organisations have documented in detail specific aspects of the human rights situation in the valley, particularly since the late 1980s. These reports give detailed accounts of the innumerable instances of security excesses, the militancy in the Valley, and the plight of civilians caught between the security forces and the militants. There are accounts of various forms of torture, political prisoners under preventive detention without trial, the molestation and rape of women, etc. Numerous incidents have come to light
wherein the security forces killed innocent civilians and branded them as militants in order to earn promotions and rewards.

The 156-page Human Rights Watch report (2006) documented abuses by the Indian army and paramilitary forces, as well as by militants. Indian security forces have committed torture, caused “disappearances” and arbitrary detentions, and executed Kashmiris in fake “encounter killings,” claiming that these killings took place during armed clashes with militants. Militants have carried out bombings and grenade attacks against civilians, targeted killings, torture and attacks upon religious and ethnic minorities. In February 2007, police investigations into a missing person’s case in Jammu and Kashmir exposed a problem long alleged by human rights activists. People were being killed in custody by security forces who constructed fake armed encounters, staging executions to look like acts of defence. According to the Association of Parents of Disappeared Persons, as of March 2007 there were more than 10,000 missing persons in Jammu and Kashmir. Fake encounters and enforced disappearances are common. Civilians suspected of having information about militants, many of them innocent, were often detained, tortured and killed in custody.

The Annual Report of the Ministry of Home Affairs, 2009-10, points out that from January 1994 till December 2009, there were 1,206 complaints of human rights excesses received against the personnel of Army and Central Para Military Forces. According to World Report 2010 of Human Rights Watch, in Jammu and Kashmir citizens have lost confidence in the state’s willingness to hold perpetrators of human rights violations accountable. A two-member delegation of Amnesty International paid a six-day visit to Srinagar in May 2010 in order to secure a better understanding of the human rights situation in Jammu and Kashmir. This was its first visit to the Kashmir Valley in the last 20 years.

Earlier, in February 2010, the Independent People’s Tribunal pointed out that the police/paramilitary and surrendered militants flouted Indian laws and the rules of war. As a consequence, large numbers of civilians died, including women and children. Women, including young girls, have been harassed, raped, and gang raped, and children in their early teens shot. It pointed out that various instances of the security forces’ crimes are violations against the Geneva Conventions (Common Articles 2/3), the Indian Penal Code and the civil law of the country, and that the judicial machinery has barely functioned. A number of cases filed in the District and High Courts have been pending for years, and there are numerous cases of lack of judicial action taken in terms of awarding compensation and instructing the security forces to produce the disappeared and so forth. Besides instances of rape, people have been maimed and disabled due to the indiscriminate firing of security forces.
during even non-violent protests. People have also been disabled during interrogations where torture was used. Many injured persons have been disabled for life and have suffered mentally, physically, and financially. Hardly any steps have been taken for their rehabilitation (Independent People’s Tribunal 2010).

The major Act that governs military action in Jammu and Kashmir is the Armed Forces (Special Powers) Act, 1958. Human rights activists have long argued that this act is unconstitutional and violates international humanitarian law. Once an area is declared ‘disturbed’ not only are residents denied fundamental rights but even civil administration ceases to exercise authority and becomes subordinate to security forces. Security forces are indemnified under Section 6 against any threat of prosecution for their acts. Once the Act is invoked, the right to constitutional remedies under Article 32 is denied to citizens, while the armed forces have the power to arrest, interrogate, confine and even shoot to kill. The Act gives no precise definition of a ‘disturbed area.’ The declaration of any area as ‘disturbed’ under Section 3 is the prerogative of the Governor of the state or the central government. The state legislature has absolutely no jurisdiction in the matter, though under the Constitution ‘public order’ is a state subject.

Under Section 4(a) of the Act, even a non-commissioned officer can order his men to shoot to kill “if he is of the opinion that it is necessary to do so for maintenance of public order...” This gives very wide discretion to even very junior officers. Similarly, Section 4(b) allows military personnel to destroy any shelter from which, in his opinion, armed attacks ‘are likely to be made’ or which has been utilised as a hideout by absconders ‘wanted for any offence.’ This has permitted the destruction of large numbers of dwellings and other buildings in the state, including in collateral damage when buildings
adjoining the one targeted have been damaged or destroyed. Section 4(c) of
the Act permits the arrest without warrant, with whatever ‘force as may be
necessary’ vis-a-vis any person against whom “a reasonable suspicion exists
that he is about to commit a cognizable offence.” This has provided the basis
of indiscriminate arrests, and the use of brutal force including firing against
innocent civilians. Section 4(d) authorises the entry and search, without
warrant, of any premises to make arrests as sanctioned under Section 4(c),
or to recover any person ‘believed to be wrongfully restrained or confined,’ or
any property ‘reasonably suspected’ to be stolen property or any arms,
ammunition or explosive substance ‘believed to be unlawfully kept in such
premises...’ For military personnel operating in a culturally alien terrain,
‘beliefs’ and ‘reasonable suspicions’ are often wholly unfounded leading to
numerous human rights abuses. Though Section 5 of the Act explicitly lays
down that, ‘any person arrested and taken into custody under this act shall
be made over to the office in charge of the nearest police station with the least
possible delay...,’ this has been repeatedly violated. Section 6 exempts army
personnel from prosecution, stating, ‘no prosecution, suit or legal proceeding
shall be instituted, except with the previous sanction of the central
government, against any person in respect of anything done or purported to
be done in exercise of powers conferred by this act.’ The exemption from
prosecution is not only for what is done under this act, but also for what is
‘purported to be done.’ Experts in the UN Human Rights Committee, which
met in Geneva in March 1991, were categorical that this act is violative of
several articles of the International Covenant on Civil and Political Rights to
which India is a signatory. The committee was of the opinion that the
continued misuse of this law and the exemption from prosecution it provides
to military personnel was a major source of human rights violations by the
armed forces (Chenoy 2000).

With human rights violations continuing unabated, without being
addressed politically, people in Kashmir over the years often staged
demonstrations, in the absence of adequate response to their sentiments.
Ironically, over the recent months, people are even being denied the right to
carry out legitimate protests, with such activities being termed as acts of terrorism. Stone-pelting as a way of protest in the Valley assumed serious proportions in 2008 when protests broke over the Amarnath land transfer. The grant of land-use rights to the Amarnath Shrine Board, a Hindu trust which facilitates the annual pilgrimage to the ancient shrine of Shri Amarnath in the Himalayas, triggered an unprecedented agitation in Jammu for 63 days. The decision stirred local suspicion of a larger design to undermine the Islamic character of the Muslim-majority Valley of Kashmir. After 1990, these were the first massive—and peaceful—protests in the Valley. Thousands of men and women came out on the streets shouting slogans, men formed human chains around police and security force posts. The government responded by putting restrictions and erecting barricades, and the slogan-shouting groups were soon replaced by groups of young men throwing stones. Sixty people were killed in the government’s effort to quell the protests over the Amarnath issue and the subsequent economic blockade of the Valley. The government has not allowed public protest since. In fact, it was during the Amarnath agitation that the state government first started booking stone-pelters under the Public Safety Act. Police claim stone-pelting in the Valley has been funded by separatists. Chief Minister Omar Abdullah too has claimed on more than one occasion that young men were being given money to pelt stones. He even added that intelligence agencies had intercepted calls from across the border and SMSes by separatist leaders that allegedly encouraged youth in the Valley to pelt security forces with stones. Several youth lost their lives when the CRPF personnel opened indiscriminate firing upon groups that defied curfew (Bukhari: 2010a).

Prime Minister Manmohan Singh’s call to check protest movements in the state that were backed by secessionist and militant groups together with outside elements, was followed by a declaration by a senior Indian army official that the issue in Kashmir was ‘agitational terrorism’ thereby equating non-violent resistance with ‘terrorism’ and underlining the need for suppressing all forms of protests. A few months later in January 2010, a senior CRPF officer described the protests and stone throwing in Kashmir as ‘gunless terrorism’, thereby providing all justification for using the iron fist (Navlakha 2010).

The situation in Kashmir raises questions as to the functioning of bodies for the protection of human rights. The National Human Rights Commission (NHRC) has no legal jurisdiction over Jammu and Kashmir, ostensibly to protect its autonomy. But the reality is that this autonomy gives more power to the government than to the people. For example, Deputy Commissioners
and Superintendents of Police in all districts of the country, except Jammu and Kashmir are required to report to the NHRC cases of custodial deaths within 24 hours. Moreover, the NHRC lacks the jurisdiction to investigate complaints of violations by army and paramilitary forces (Puri 2007). The State Human Rights Commission is also toothless with no infrastructure, staff or investigative machinery of its own. It was formed in 1998 after legislation passed by the State Assembly. But the army and paramilitary were kept out of its purview. Its reports are merely sent to district authorities for enquiry. The general trend is that the State as well as the central government ignores the recommendations made by this Commission.

The mobilisation of human rights is also dependent on media exposure. The mass media have a significant role to play in creating an awareness of human rights – not only as a primary source of information on human rights violations, but also by facilitating the necessary publicity for information generated by human rights organisations. In this context, the performance of any media can be evaluated on the basis of the extent of its support for furthering the cause of human rights and in exposing human rights violations. The struggles of the people of Kashmir have been largely identified in the Indian press as part of Pakistan’s proxy war. The denial of democratic rights and alienation has been ignored, reducing the issue to that of a territorial conflict, a national security issue and that of cross border terrorism. More importantly the severe socio-economic hardships of the people, the high levels of unemployment and corruption, and the failure of development funds reaching the masses are also largely ignored. As the developments in the Valley are portrayed in the framework of national security, the loss of lives of security personnel and militants are highlighted, quoting government sources, while the loss of civilian life and property, and human rights violations by the security forces is barely given a passing reference. Reports of human rights violations by the state have even been denounced as propaganda by antinational forces. [while the same reports critical of Pakistan are quoted verbatim] Similarly, the condemnation by other countries of human rights violations in Kashmir and their calls for the respect of the rights of the people including the right of self-determination is very often suppressed in the Indian press (Joseph 2009: 87-89).

Tavleen Singh (1996) stated that the press was the main reason why the alienation of Kashmir began. The people were sensitive about the way they were being reported in the national press which was deliberately misinterpreting facts and events, making it possible for governments to get away with any short sighted policy. She argues that it was the image of the
Kashmiri as traitor and secessionist which made it possible for a civil society in the rest of India to deny political rights to the people of Kashmir and to accept that a legally elected Chief Minister be kept in prison for eighteen years.

While recent years have seen much more reporting on Kashmir in quantitative terms, these reports continue to reproduce official versions of the situation, without any change in the traditional framing of news. Incidents of violence in Kashmir are often followed by virtual bans on the media in the Valley. Curfew passes are often cancelled, and cameras of television channels are seized. In 2009, cable operators were affected for twelve hours in Jammu and twelve days in Kashmir (Navlakha 2010). In the context of the June 2010 events, censorship was effected in various ways. The electronic media in Kashmir was not allowed to broadcast more than fifteen minutes of news a day in the name of ensuring that they remain ‘responsible,’ and have to furnish CDs of their daily news programmes to the police and information department. The denial of any information that is basic to the protection of human rights in the name of national security, whether it be by official or unofficial censorship, is antithetical to fundamental democratic values. This brings into focus the larger questions regarding the very notion of security and the need for a reconceptualisation of the same in the larger interest of human rights.

Elections, signifying democracy in practice, are considered to be the heart of any political process. Yet, in the case of Kashmir, elections have played a critical role in the alienation of the people of Kashmir from New Delhi. The State Assembly Election of 1987 is considered to have been the immediate cause for the eruption of militancy in the state. The electoral process itself is often considered a violation of democratic principles. There have been incidents of rigging of elections, voters being forced to go the polling booths and cast their votes, etc. This is not to sideline the larger issues relating to the conduct of elections.

The State Panchayati Raj Act is, in many ways, different from that governing the rest of the country. The state government has kept away from fully empowering the Panchayats. The state Act has a number of provisions that ensure the control of the government over the Panchayats. Despite a demand to bring this Act at par with the 73rd and 74th amendments to the Constitution of India, the state government has refused to delete the provision for the nomination of a large number of members. There are no elected representatives in the District Planning and Development Boards, and the three tiers of the Panchayati Raj do not exist, as in the rest of the country. Kashmir has no district or block level government and the present government led by Omar Abdullah has yet to fulfil its promise to set up elected local bodies. Panchayat elections in Jammu and Kashmir were held after a gap of 23
However, in 2006 the state government dissolved village Panchayats and instead of holding fresh elections passed on the power of development work to the block administration and created ‘monitoring committees’ for dealing with issues related to the Gram Sabha. No poll has been held since then on the ground that the situation was not conducive to hold Panchayat elections. All the funds that were initially routed through the Panchayat are now being routed through the Block Administration with the Block Development Officer and the Panchayat Secretary as the official signatories. This order defies the principles of grassroots democracy and power to the people. Panchayat elections expected to be held in October 2010 after an interval of nine years have again been postponed. Balraj Puri (2010a) argues that even when Panchayats are formed under the state Panchayati Raj Act, they will be more an instrument of centralization and regimentation than institutions of decentralisation and empowerment of the people at the grass roots.

All the above factors have contributed to the lack of trust in the state or the Indian government that is very much evident among the people of the Kashmir. New Delhi has, however, tended to view the situation in Kashmir from a state centric perspective. Kashmir continues to be addressed primarily as a law and order problem with the aspirations of the people and their problems being sidelined. Kashmir is often projected in India purely from a state security perspective, as only a territorial dispute between India and Pakistan, or a question of sustaining the national identity of both countries, with Pakistan being projected as the source of the problem. In the context of the recent incidents in Kashmir, Union Home Minister P. Chidambaram maintained that the violence in Srinagar was being instigated by anti-national forces that had links with the Lashkar-e-Taiba (Gupta 2010). It was once again military force rather than dialogue and diplomacy that was resorted to. It was the first time since 1989 that the army was called into Kashmir to control protesting crowds. Police and paramilitary brutality has played no small role in contributing to the mass outrage and alienation of large sections of the civilian population in Kashmir. As of June 2010, by official estimates, there are not more than 600 militants operating in the entire state. To combat this, there is still a six to seven lakh force which enjoys immunity under draconian laws like the Armed Forces (Special Powers) Act.

In the earlier years, the Government of India generally denied all allegations of human rights violations and the so-called security excesses were termed mere propaganda by Pakistan and the militants of Kashmir in
order to defame the country’s security forces. Human rights activists within the country were even maligned as anti-national. However, under pressure from national and international human rights groups, the government began to occasionally reveal details of action taken against erring security personnel. Yet, it continues to adhere to the position that such eventualities were rare and that human rights violations in the Valley were largely the work of militant groups aided by Pakistan. New Delhi tends to view the issue from a state centric, military strategic perspective. The Annual Report 2009-10 of the Ministry of Home Affairs states: The State of Jammu and Kashmir has been subjected to severe terrorist and secessionist violence, sponsored and supported from across the border, for the past two decades. More than 13,775 civilians and 4,690 Security Force (SF) personnel have lost their lives. However, there has been a marked improvement in the situation in recent years, on account of several holistic measures taken by the Government, and the people’s yearning for peace. The report points out that the number of incidents and casualties has progressively come down in the last two years and the overall security situation in the State has shown perceptible improvement. However, there are reports to indicate that the infrastructure for training to terrorist elements across the border continues to remain intact and, efforts to infiltrate militants into the State continue unabated. Similarly, in September 2009 addressing police officials on Kashmir, Prime Minister Manmohan Singh warned that “secessionist and militant groups within the state are once again attempting to make common cause with outside elements and have embarked on a series of protest movements … We must not, and I repeat, we must not, allow such a situation to develop. It is imperative that these disruptive efforts are contained, controlled and effectively checked” (Navlakha 2010). Ironically, over the recent months, people are being denied the right to carry out legitimate protests, with such activities being termed as acts of terrorism.

A common theme running through all the speeches of Prime Minister Manmohan Singh on Kashmir has been the necessity of minimising human rights violations. In May 2006 Prime Minister Manmohan Singh called on the army, police and paramilitary forces in Jammu and Kashmir to adopt a strategy that would have as its centrepiece “zero tolerance” towards custodial deaths. His closing remarks at the Third Round Table Conference in New Delhi on 24 April 2007 also emphasized the need for ensuring the dignity and protection of basic human rights. His appeal to the security forces to carry out tasks in a humane manner has been oft repeated. The concept of zero tolerance has been a key theme of political leaders in Kashmir
including of the present and former Chief Ministers. However, the situation on the ground does not reflect this sense of commitment. This has resulted in the Prime Minister changing his stance from “zero tolerance to “limiting violations.”

In the context of the June 2010 situation, Chief Minister Omar Abdullah stated that the government cannot afford to be complacent against those who were a law unto themselves and disturb the peace and tranquillity in the State. He warned of strong measures against vested interests, who attempted to misguide the youth of the State (Bukhari 2010b). However, barely three days after the Chief Minister’s assurances that no violations would be tolerated, eight more youth fell to the bullets of the CRPF, throwing into question the credibility of the government. Apathy and lack of political initiative displayed by the government at the centre during the June 2010 incidents is again only reflective of the history of the region.

Praful Bidwai (2010) points out that the present situation in Kashmir is to a very large extent due to the policies of the Centre and its lack of comprehension of the ground realities in Kashmir, including the persistence of widespread popular disaffection in the Valley; the emergence of a new generation of youth who grew up in the shadow of militancy and violent counter-insurgency; and the futility of violent crowd-control methods. While the situation in Kashmir has always been fragile, the policies of the Centre – being out of touch with reality, have only served to aggravate the situation. Resorting to militaristic options has not helped to resolve issues, but has only added fuel to the fire, a fact that the government needs to accept at face value. A rational approach to Kashmir will elude India as long as its leaders are unable to confront this reality.

The large-scale protests over various recent incidents should be seen as a symptom rather than a disease. It should serve as a wake-up call for the government to build on proposals for autonomy and reforms. The recent incidents need to be seen as the manifestation of political discontent among the people. It should also serve as a reminder of the fact that lack of democratic outlets for popular discontent, whether in the form of protest movements or media coverage, or the failure to meet the democratic aspirations of the people, be it in the form of elections, local self government, right to information or mechanisms for the protection of human rights, will only lead to insurgency and violence. Militancy will only increase where no democratic opposition is possible, and the use of strong arm tactics to meet this will only result in further violence to fight perceived oppression.

For the people of Kashmir faith in the political system is at a minimum.
Democratic, legitimate and responsible governance is the need of the hour. It is therefore crucial that all institutions and persons need to be made accountable for their actions and also be seen to be dealt with firmly. The long term democratic aspirations of the people of Kashmir and their sense of alienation need to be addressed urgently. A consensus that meets these criteria is not easy to find. Nevertheless an important suggestion has been the strengthening of local self government institutions to meet the complex needs of Kashmir’s civil society. Building credible democratic institutions and adhering to democratic principles and procedures will help prepare the ground for political ideas. In the meantime there is an urgent need to address the immediate human rights needs of the people of Kashmir. No democratic state, even one that is fighting insurgency, can turn a blind eye to escalating incidence of rights violations. The only real solution to end hostility is a political solution. But until one is reached, some measures can be taken to redress the grievances of the people and reduce human rights violations. Clearly any solution to the human rights question in Kashmir calls for a rights based strategy that would address the question of militancy rather than focusing on militants.

As the Delhi based ANHAD (Act Now for Harmony and Democracy) pointed out in its statement in the context of the violence of June 2010, the Central government “should learn some lessons from history. People cannot be won over or suppressed at gun point. Certainly the people of Jammu and Kashmir deserve a more rational, humane, visionary and sensitive response from the Indian State” (Bukhari 2010c). The only real solution to human rights atrocities is the cessation of hostilities, for which a political solution is imperative. In the meantime, various initiatives could be taken to help to alleviate the human rights situation in the region. These could include the withdrawal of the Armed Forces (Special Powers) Act from operation in the state – the armed forces have sufficient powers under other laws to function adequately; amendment of the acts under which the NHRC and SHRC function to enable them to inquire into allegations against the army and paramilitary forces; all incentive schemes in the security forces and police that reward the killing of militants, must be withdrawn; and international human rights agencies like Amnesty International, Human Rights Watch and others should be allowed to investigate alleged human rights violations in the state, etc (Chenoy 2000). Most importantly the security forces have to make the protection of human rights the basis of their strategy in Jammu and Kashmir. A rights based strategy in this context would call for planning, organising and conducting all operations with the objective
of ensuring the rights of the common man.

Meanwhile an observation of the new Chairperson of the National Human Rights Commission Justice K. G. Balakrishnan deserves attention. He has recommended to the government extension of the apex human rights body’s jurisdiction “in full rigour to the State of Jammu and Kashmir.” Use of force alone cannot bring solutions to all its problems, he added. He has suo moto issued notice to the army to explain killing of two persons in Keller in Shopian, alleged to be militants. The ban on jurisdiction of the Commission to the State is clearly a misuse of Article 370 in the name of protecting the autonomy of the State. The votaries of autonomy should rethink on the question whether rights of the people are more important or the powers of the government (Puri 2010b).

Inside the Kashmir Valley there is an overwhelming demand and support for demilitarisation. Although it could meet with political opposition, such a move would go a long way in building confidence among the people. Effective functioning of the SHRC and the conduct of free and fair electoral processes need to be ensured.

Efforts by the government should clearly be supported by civil society initiatives. A vibrant civil society is necessary to curtail potentially authoritarian tendencies of states. A strong civil society can produce the resources needed for coping with the changes in the social structure. The ultimate test of a successful democracy should be its ability to determine or influence the agenda of the state. The mass media clearly needs to fulfil its role as the watchdog of democracy. Women’s groups, human rights organisations, self help groups etc all have their own role to play. It is only by strengthening these forces that public opinion can strongly be articulated from below and channels of opinion formed. Essentially the erosion of faith in Indian democracy needs to be addressed.

There is clearly an urgent need to uphold democratic traditions within the country while advocating democracy and human rights as a nation in international forums. It should take efforts to make innovative proposals for resolving issues through peaceful negotiations and respect for international law. It needs to reorient its preoccupation with raw power and work to promote universal values and principles, and to make the world a more democratic and just place. Only thus can India command the respect of the international community and play a leading role in the democratisation of the international system. More importantly, India’s emergence as a significant and respected actor in the international stage could be contingent inter alia on its ability to address the human rights concerns and democratic aspirations of the people of Kashmir.
References


India and Africa have a relationship that can be traced back to the ancient times. Trade between the people of the eastern seaboard of Africa and the western seaboard of India has been going on for centuries. However, the relationship has swung from a period of great emotional and political solidarity in the 1950s and 1960s to selective engagement in the 1970s and 1980s (Mathews 1997). In the post-Cold War era there is a growing perception in Africa that it was marginalised, both politically and economically. Around 300 million Africans live on US $ 0.65 or less per day, more than 250 of every 1,000 children die before the age of five and in more than 20 countries one in ten adults has HIV/AIDS. Nevertheless, on the positive side, the continent has witnessed a trend towards democratisation that is visible in multi-party elections across the continent and the emergence of a democratic South Africa.

The cornerstone of India’s Africa policy in the past has been the support for the struggles against colonialism and racialism in Africa. The emergence of a democratic South Africa brought an end to the apartheid struggle in Africa. In the changed situation in the twentieth century the focus of India’s Africa policy should also be changed to meet the needs of the new circumstances. This paper examines India’s Africa policy in the emerging world by placing it in its historical context of the relationship between the two regions. It also offers insights on the issues and challenges in the post-cold war period.

India vs. Africa: The Base for South-South Cooperation

India and Africa share more or less similar histories of colonialism and struggle for independence. In recent times both the regions stood together in the battle to gain a more equal share of the world’s trade and a voice in its fora. India and Africa are undertaking similar economic reforms and both are engaged in the search for more open, responsive and accountable government. While Africans were being shipped to the Americas as slaves, Indians were being shipped to east and southern Africa as indentured labour (Ramamurthi 1997). And so there are also strong blood ties between the continents. There is a strong basis for cooperation between India and Africa that goes far beyond the edifying rhetoric of South-South cooperation.
After what came to be known as the ‘lost decade’ of the eighties induced by falling commodity prices, debt, war and mismanagement, Africa is now in its path of economic recovery with growth in GDP outstripping population growth for the first time in many years. But growth is not so strong as to assure the commonly agreed goal of reducing absolute poverty by half by the year 2015.

Africa’s population continues to grow and is soon expected to exceed that of India; India has more than one billion people, compared to Africa’s population of 700 million. By 2050 India’s population will maintain itself at about 1.5 billion people while Africa’s population is expected to increase in size well into the next century when it is projected to plateau at over 2.5 billion. This makes for very different per capita income projections. Indeed, the World Bank expects that the absolute poor will decline in India over the next generation but increase significantly in Africa. Income inequality in Africa is the highest of any region in the world. In Africa, those in the top 20 per cent receive nearly 10 times the income of those in the bottom 20 per cent. The comparative multiple for South Asia is 4.5 times. Forty four per cent of African people live below locally defined poverty lines. Excluding North Africa, the figure is 51 per cent (GOI, 2000b). In Sub-Saharan Africa the poverty line, on an average, is defined as about 30 rupees per person per day. In 1991 literacy in India was only 52 per cent, well below the level of many African countries. In less than a decade, literacy has shot up to 64 per cent, accompanied by a shrink in the urban-rural gap and male-female literacy gap. Another challenge, cutting across all the other challenges is to properly assure equal opportunities and outcomes of development for girls and women. Here is another area where the experience of India, particularly in attempting to ensure gender equality at the local levels, is of great interest to Africans (Amoako 2000). With regard to growth, Africa is struggling to obtain the necessary supply side response to the numerous macro-economic initiatives it has taken to propel Africa to the higher heights that they need to reach if the continent is to break out of the vicious poverty circle.

The most visible measure of long-term political and economic viability is often investment rates. To achieve the 8 per cent per annum growth rate needed if Africa is to halve poverty by 2015, investment rates would need to be about 45 per cent of GDP (Jagdish 1997). Given that the average savings rate is about 15 per cent of GDP and with development assistance at 12 per cent of GDP, this leaves a financing gap of 18 per cent of GDP that needs to be covered on an annual basis. It is shocking that 15 years after economic structural adjustment began, Africa should be looking solely to foreign aid to
plug this gap rather than to internally generate domestic savings or indigenous private entrepreneurs. This is not just because of the debt overhang, though that is a contributory factor. Nor is it because Africa’s income is so low as to preclude increases in domestic savings; income in India is even lower (Diwanji 2000). But domestic savings in India have averaged 26 per cent of GDP between 1990 and 1999 – 11 per cent of GDP higher than Africa, where per capita income is 20 per cent higher! The accumulated loss of faith by Africans in the regimes that govern them is so profoundly and deeply rooted that Africans either prefer immediate consumption to savings, or are exporting their savings through capital flight. Africa has the highest rate of capital flight of any region in the world. This links with the second indicator of long-term viability—the direction of talent, which is still outward-bound from Africa. According to the Association of African Universities, over 1000 African universities have watched their learning resources evaporate in recent years2. FDI is another area of concern. The rate of return on FDI to Africa is 29 per cent, higher than in any other region of the world. Yet only 4 per cent of the total investment pouring into developing countries is going to Africa. By contrast India has been experiencing a boom in investment including repatriation of capital by Indians living abroad.

There is much Africa could learn from India on improving the African business environment for private sector investment, public-private partnership as well as strengthening capital markets. India is successful at developing its small- and medium-scale enterprises; an area where Africa lags behind. Fundamentally, Africans need to believe in Africa, like Indians, and critical to this confidence building in Africa’s future is the issue of governance (Vasudevan 2000). India is the world’s largest democracy and has a proud record of regular elections. Many African countries have recently reverted from one party or military to multiparty systems of governments (Mills and Herbert 2001). Africa is grappling more severely with strengthening the rule of law and the division of power between the legislative, executive and judiciary arms of governance; as well relations between citizens and state institutions. A capable state is a pre-requisite for a capable economy.

Perhaps nowhere has the rebirth of India been more profound than in the area of information technology - one that is a key to jump starting Africa into the new millennium3. India has one of the most vibrant, government-led national information and communication strategies (Diwanji 2000). India has had considerable success in pulling back or making use of its Diaspora. Indian ICT experts are a source of information on business opportunities for start-ups back home. Software production is a mantra to Indian excellence. India has also been aggressive in the development of language infrastructure through IT – an area of considerable interest to Africa,
given its multiplicity of languages. Africans should become drivers and not passengers on the information highway. Already Africa has launched a continent-wide effort to accelerate the adoption of information systems, the African Information Society Initiative (AISI), and house its secretariat. Promotion of information and communications is one of the most hopeful ways of accelerating Africa’s development. Software production is a potential entry point for Africa into ICT production. Compared to hardware, it is less capital intensive, more labour intensive, and has a longer shelf life. While there is a limited pool of expertise in this area in Africa, Indian software houses face a large-scale migration of human resources. Nonetheless, there are opportunities for African IT companies to work with Indian counterparts in gaining skills, resources and new software development culture and quality.

While Sub-Saharan Africa has a GDP comparable to that of India, it is a much smaller player in international trade and investment. Africa’s capital markets are newer and do not cover a full range of functions; markets are smaller and are not yet well integrated. The World Bank estimates that high tariffs, anti dumping regulations and technical barriers to trade in industrialised countries cost Sub-Saharan African countries US$ 20 billion annually in lost exports. In other words, Africa loses more because of trade barriers than what it gains from aid. Despite different standing in the international economic system, Africa face challenges from the largest players. India is urging that the transparency and supervision demanded from the financial institutions of the south be equally demanded from the financial institutions of the north (Amoako 2000). Calling for restoration of confidence in the multilateral trading system, India is pressing for developed countries to fulfill their commitments regarding special and differential treatment for countries of the south; for strengthening the system of preferences extended to these countries; as well as preventing the spread of excessive liberalisation to the exclusive benefit of the north. The UN Economic Commission for Africa has a long-standing agreement with the Government of India to nurture and foster the common interests.

**Historical Background of India’s Africa Policy**

Jawaharlal Nehru, India’s first Prime Minister, laid the foundation for India’s Africa policy. The importance of Africa, he felt, arose from the fact that “though separated by the Indian Ocean from us, it is in a sense our next door neighbor.” There were two major strands of his policy towards Africa (Amoako 2000). First, the support for the struggle against colonisation and racial discrimination in South Africa. On these issues India was very active at the United Nations. Secondly, the people of Indian origin settled in Africa. He advised the Indians to identify themselves
with the local community, adopt a more positive attitude towards the political aspirations of the people of their adopted countries. In economic matters, he advised them not to seek any special privileges at the cost of equal opportunities for the Africans.

The Africans acknowledged both Nehru’s and Mahatma Gandhi’s support for the African struggle. Similarly, as the Cold War began, Nehru’s principle of non-alignment appealed to the Africans (INC 1976). However, towards the end of Nehru’s tenure, India’s Africa relation dipped to a low. Few African nations gave diplomatic support to India bilaterally or at multilateral fora like the Non-aligned Movement (NAM). This was due to a number of factors (Dubey 1990)—India’s defeat in the Sino-Indian war in 1962 caused a setback to the image of India as a leader. India’s hesitation in fixing a date for the end of colonialism (on the logic that it was unrealistic) in Africa at the Belgrade NAM Summit in 1961 made it look soft towards the colonial powers. India’s insistence on African liberation movements to adopt peaceful means as opposed to China’s overt gestures towards arms assistance was also not appreciated; moreover, immediately after the 1962 war, India was busy countering China at every multilateral forum.

However, by the mid-1960s India undertook a serious reassessment of its Africa policy and adopted some fresh initiatives. Indira Gandhi’s African Safari in 1964 was aimed at measuring the depth of African solidarity with India (Mathews 1997). Subsequently, India stopped treating African countries as a bloc and became selective in its friendship. It also launched a policy of economic diplomacy. This was flagged off by the launch of the Indian Technical and Economic Cooperation (ITEC) Programme in 1964, primarily to counter China’s aid diplomacy. By the 1970s, India’s stature had risen in African eyes; the Indo-Soviet Treaty (1971), the 1971 war, the Green Revolution, and the Peaceful Nuclear Explosion (PNE) in 1974 probably contributed towards this change (Gupta 1979).

Emphasis on economic diplomacy increased in the early 1970s in tandem with the realisation among developing countries in Asia and Africa of the need for economic cooperation among themselves (Ramamurthi 1997). Adoption of the Lagos Plan of Action by the Organisation of African Unity (OAU) in 1980 underlined the importance given by the Africans to regional and South-South cooperation. The impact of these initiatives was an increase in India’s trade with Africa, with the balance of trade favouring India.

In the 1970s and 1980s India continued to support liberation struggles in Africa. It worked closely with the Africans in the fight against apartheid in South Africa and Namibia; not just at the UN but also at other multilateral fora such as NAM, and the Commonwealth. India had accorded diplomatic
status to the African National Congress (ANC) in 1967 and SWAPO (South West African People’s Organisation) in 1985 (Dubey 1990). Apart from diplomatic support, India also provided financial and material aid to the liberation struggles in Africa, not directly but through multilateral institutions like the OAU, the UN Fund for Namibia, UN Educational and Training Programme for South Africa and finally through the Action for Resisting Invasion, Colonialism and Apartheid (AFRICA) Fund. The AFRICA Fund was established by NAM under Prime Minister Rajiv Gandhi’s leadership in 1986 to assist frontline states and liberation movements in South Africa and Namibia (Jagdish 1997). India provided Rs 36 million by 1977-78 while India’s initial contribution to the Africa Fund was Rs 500 million which included private and individual contributions of Rs 25 million.

As far as India’s policy towards the people of Indian origin (PIO) was concerned, Indira Gandhi initially advanced a policy of engagement. During her African Safari she called them Ambassadors of India. The African states resented the changes in India’s policy towards the PIOs. When Kenya and Uganda launched the policy of Africanisation and asked Indians to leave the country, Government of India’s sympathy and concern towards the PIOs was resented (Mazrui 1977). These developments had an impact at the following levels.

It was a realisation of the fact that the Indian government’s support to the African liberation movements was not reciprocated by the Africans in giving protection to the people of Indian origin. The Government of India reverted back to the policy of disengagement with the PIOs. Subsequent governments till the late 1990s continued this policy, and the Government of India’s hesitation in welcoming the expelled Indians back into its fold, in turn, made them realise the limits of the policy towards them and the fact that they had been left to their own fate in their adopted countries.

**Post Cold War Era**

In the post-Cold War era, with the emergence of an independent Namibia and a democratic South Africa, the main agenda that had brought India and Africa together—the fight against colonialism and institutionalised racialism—has disappeared. India’s Africa policy indicates a slight change as also some consistency in the post-Cold War era. It appears to be composed of the following five mantras: Promoting economic cooperation; Engaging the people of Indian origin; Preventing and combating terrorism; Preserving peace; and assisting the African defence forces (Beri 2008). There exists enormous goodwill for
India in Africa, and India should take advantage of it to further strengthen ties through a new partnership. The above mentioned mantras are detailed below.

**Promoting Economic Cooperation**

In the early 1990s the government stressed on strong economic bond among countries of the South and the use of India’s relative economic strength for development of these countries on mutually beneficial basis. India engaged Africa economically through technical assistance, training and trade (Ramamurthi 1997). The broad trends in the economic front include:

- **a) Technical Assistance:** India extended technical assistance to African countries under the Indian Technical and Economic Cooperation (ITEC) programme and the Special Commonwealth Africa Assistance Plan (SCAAP). This involves training (civil and military); projects and project-related assistance such as supply of equipment, consultancy services and feasibility studies; deputation of experts; study visits of senior officials/decision makers to India. The programme covers various fields and it involves preparation of feasibility studies, project reports, setting up pilot projects and research centres in the agricultural sector, etc. A number of African countries received assistance in this area. Over the past four decades, India has provided more than US $2 billion in technical assistance to the countries of the South and most of it has gone to Africa (GOI 2000a). In 1994, the government launched a programme for cooperation with select African countries for the development of small-scale industries (SSI). The government offered finance for implementation of these programmes under ITEC. Since 1964, India has also provided civil training to over 14,500 trainees from various countries, mainly from Africa, under the ITEC programme (Beri 2003). The countries were Nigeria, Ethiopia, Sudan, Kenya, Tanzania, Uganda, Zimbabwe and South Africa.

- **b) Trade:** In the last decade a number of initiatives were launched to promote trade with Africa. Apart from the government, the private sector also pitched in to explore the African markets. From the mid-1990s, organisations like the Confederation of Indian Industries (CII), The Associated Chambers of Commerce and Industry (ASSOCHAM), the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Federation of Indian Exporters’ Organisation (FIEO) identified Africa as a thrust area and launched programmes to promote economic and business cooperation. This included exchange of information, conducting one-to-one business meetings and
organising activities like ‘Made in India’ shows across Africa. These chambers have also entered into joint business agreements with Mauritius, Kenya, Zambia, Uganda, Zimbabwe Nigeria, South Africa and Ethiopia (Amoako 2000). The most important among them are:

• **US $6 million EXIM line of Credit to PTA countries:** In September 1992, the EXIM Bank signed an agreement with the Preferential Trade Area (PTA) Bank to extend an US $ 6 million line of credit to members of the PTA only for import of capital goods from India (GOI 1993). The PTA covered 21 countries from Eastern and Southern Africa. In 1994 the PTA was replaced with the Common Market for Eastern and Southern Africa (COMESA).

• **Engaging West African Countries:** In an effort to strengthen political and economic ties with West African countries, the then Prime Minister, P.V. Narasimha Rao visited Burkina Faso and Ghana in November 1995.

• **Revolving Fund for Africa:** In 1996, Prime Minister, H.D. Deve Gowda announced at the G-15 Summit in Harare the creation of a revolving fund of Rs.100 crores towards regional cooperation with Africa (Beri 2003).

• **MoU with SADC:** A Memorandum of Understanding on cooperation between India and the Southern African Development Community (SADC) was signed in October 1997 which envisaged both government and private sector cooperation in the region, similar to the one followed by COMESA and the Economic Community of West African States (ECOWAS).

• **Meeting of HoMs/Commercial Representatives:** Meeting of Heads of Missions (HoMs)/ commercial representatives of Indian missions in Eastern and Southern Africa under the Chairmanship of the Minister of State for Commerce and Industry was held in June 2000. A similar meeting was convened in October 2000 in West Africa.

• **Focus Africa:** The Focus Africa programme was launched as part of the EXIM Policy 2002–2003. Encouraged by the Focus initiative in Latin America, the government also launched a Focus Africa initiative. Select Indian missions would provide business promotion services to visiting Indian exporters/businessmen at a nominal fee by setting up business centres. The first phase of Focus Africa focused on Nigeria, South Africa, Kenya, Mauritius, Ethiopia, Tanzania and Ghana.

Firms exporting to these markets would be given ‘Export House’ status subject to a minimum export of Rs 5 crores. Overall, the trade between India and Sub-Saharan Africa has grown from US$ 893 million in 1991–92 to US$ 3,390 million in 2000–2001, registering an increase of more than 280 per cent in 9 years. Its imports from the region have increased from US$ 458 million in 1991–92 to US$ 1,581 million in 2000–2001 (Beri 2003). Nigeria, Mauritius, Kenya, Tanzania and Ghana have been
the major trading partners during this period. India signed bilateral trade agreements with 19 countries in Africa. Most of the imports from Africa consist of minerals, petroleum products and raw materials, while Indian exports include textiles, pharmaceuticals, and engineering goods.

- **Advent of AGOA:** The good news is that Indian textile exporters need to take advantage of the opportunity to export goods to the US without restrictions, through the African Growth and Opportunities Act (AGOA), signed in 2000 (GOI 2002). Thirty-five countries in Africa are eligible for AGOA, but only 17 have qualified for exporting to the US through AGOA. Countries like China and Malaysia have got excited with AGOA and plan to increase investments in Africa.

- **Pharma Success:** In April 2001, the South African government won the case against multinationals to import generic AIDS drugs. This landmark judgment has opened the gates for pharmaceutical exports from India of generic AIDS drugs to Africa. Around 20 million people living in Africa are infected with the AIDS virus. These anti-retroviral drugs, or ARVs, could be supplied by the Indian companies at a fraction of the cost of Western drugs (Beri 2008). Nigeria was the first country to import these from Cipla and Ranbaxy. India has seven pharmaceutical companies manufacturing ARVs. A four day Africa-India Health Summit organised by India brought together 16 African countries. Leading pharma companies showcased their capabilities and products. At the end of the Summit the ground was laid for joint ventures in African countries. South Africa and Kenya have signed agreements for joint ventures with Indian firms.

- **Cashing the Information Boom:** India has made a name in Information Technology and there is good scope for IT exports to Africa. Only half a million Africans have access to the Internet, and therefore there is a pressing need to narrow the ‘digital divide.’ The Economic Commission of Africa (ECA) has launched an initiative to accelerate the adoption of information systems in Africa. There is tremendous scope for joint ventures with India in this field.

- **NEPAD:** This new initiative undertakes to promote and protect democracy
and human rights in exchange for sustained levels of aid, investment and economic engagement with the developed world. A summit with the investors was organised in Dakar in April 2002. Subsequently, the Africans have engaged the G8 countries, the European Union and India. The Indian government appears to consider NEPAD as a viable action plan, and a conference was organised in July 2002 with 30 representatives from industry and the finance sector of a number of African countries (Leon 2002).

Engaging the People of Indian Origin

The government of India has tried to engage the people of Indian origin (PIO) in the post-Cold War era. The PIOs are now the focus of the government’s foreign policy initiatives in different regions of the world. It organised the first-ever meet of parliamentarians of Indian origin at New Delhi in December 1998 (Singh 2000). It also offered a PIO Card. In September 2000, the government set up a high-level committee on the Indian Diaspora as a major initiative (Beri 2003). The mandate of the committee was to make a comprehensive study of the global Indian Diaspora and to recommend measures for a constructive relationship. The report was submitted in 2002 and the prominent recommendations include: offer of dual citizenship to PIO/NRIs living in select countries (United States, the United Kingdom, Canada, New Zealand, Australia, and Western Europe, Singapore) under the rubric of the Citizenship Act; fee reduction in PIO Card scheme; celebration of ‘Pravasi Bhartiya Divas’ on January 9 (the day Mahatma Gandhi returned from South Africa) every year; and setting up of a ‘single window’ organisation, a Pravasi Bhartiya Bhawan, to deal with the PIO/NRI issues.

The government accepted most of these recommendations. In keeping with the suggestions, the government organised three-day long celebrations commemorating the Pravasi Bhartiya Divas in January 2003. A number of conferences were held involving professionals, intellectuals, businessmen and parliamentarians of Indian origin. The recommendations of the high-level committee have led to a debate, and one view is that they seem to benefit the NRI/PIOs in Europe and America more than those in Africa. Organisations like GOPIO have welcomed the dual citizenship move. In fact, they have been demanding it for a long time. It seems to have created three categories of PIOs (Beri 2008): people who live either in Europe or North America who can claim dual citizenship; those who have Indian nationality only (e.g., those in the Gulf); and people who only have the citizenship of the countries of residence (e.g. Africa and the Caribbean). It has led to disappointment amongst the people of Indian origin in Africa who feel the Government of India has been discriminatory. Some argue that PIOs in Eastern Africa may not be interested in
dual citizenship (Suri 2002). In the past the people of Indian origin in East Africa suffered due to the fluctuating policies of the Government of India (Amoako 2000). After independence, these PIOs had assumed that the Government of India would come to their rescue when they were in trouble. However, India overlooked them in its bid to cultivate relations with the Africans. Indeed, very few Indians took up the Indian government’s offer of resettlement in India when they were asked to leave Uganda and Kenya.

*Preventing and Combating Terrorism*

The September 11 terrorist attacks demonstrated the destructive power of terrorists. India strongly condemned these attacks as did the African countries (Beri 2002b). Africa came to the limelight when the US embassies in Tanzania and Kenya were attacked in August 1998. Terrorism struck Africa again in November 2002 when a terrorist bomb exploded at a hotel complex in the coastal town of Mombasa. About twelve people lost their lives in the attack. Almost simultaneously, a chartered plane of Israel’s Arkia Airlines narrowly missed a missile attack while taking off from Mombasa airport. It was estimated that there were more than a dozen countries in Africa where terrorist groups (mainly as part of the Al Qaida network) had established a strong presence (Beri 2002a). Sudan and Somalia figured prominently in that list. Sudan was declared a rogue state by the US because it provided a safe haven to a number of terrorist organisations, including the Al Qaida. Osama bin Laden was quite active in Sudan during 1991-96 (Yonah and Swetnam 2001). Nevertheless, the Sudanese and the Somalian governments joined other African countries in condemning the terrorist attacks against the US. About 25 Africans from 13 different African countries had lost their lives in these attacks.

In the war against terrorism, most of the African countries have pledged non-military support to the United States. Kenya and Djibouti offered access to sea and airport facilities to the US military, though in Kenya the opposition parties asked the government to give an explanation on this issue in parliament. South Africa had offered non-military support, including intelligence sharing.

The September 11 attacks and the subsequent attacks on the Indian parliament on 13 December 2001 had led to a greater understanding of the Indian position on terrorism by the Africans. The African countries supported, in the past, India’s moves to deter terrorism at multilateral fora. At the Durban NAM Summit in September 1998, the African countries including South Africa supported the Indian proposal for international action against
terrorism (Beri 2002a). Senegal also hosted a conference on terrorism that was attended by heads of states of 27 African countries. This meeting enabled the African states to take a common stand against terrorism. It also sought to devise an African anti-terrorism accord that would allow extradition of terrorists from one state to another. Such a crucial provision was missing in the earlier OAU Convention on Terrorism (1999).

Promoting Peace

Peace is an elusive commodity in Africa which has witnessed scores of conflicts over the years. It is estimated that 18 Sub-Saharan African countries are directly or indirectly involved in conflicts; in 12 others, conflict can erupt at any moment (Mills and Herbert 2001). In a number of these conflicts, the Blue Helmets were deployed (Debroy 2002). India participated in a number of these peacekeeping operations. It was involved in the United Nations operations in Mozambique (ONUMOZ); Somalia (UNOSOM I, II); United Nations Angola Verification Mission (UNAVEM I, II, III) and Observer Mission (MONUA); and also in the United Nations Mission in Sierra Leone (UNAMSIL) and Ethiopia and Eritrea (Gurirab 2000).

India’s role in UN peacekeeping in Africa was much appreciated by the local population. In a conference in New Delhi, the Namibian Foreign Minister was quick to express appreciation of India’s response to the African hour of need. Nevertheless, it has also got its share of brickbats (Bullion 2001).8

Assisting the African Defence Forces

India has been providing military training to officers and JCOs of the African defence forces. Most of the African countries lack military training institutions and, therefore, the officers are often sent abroad either to the military colleges of the former colonial powers or friendly countries in the developing world. Since the 1960s India has provided military training to a number of Africans, primarily from Anglophone Africa. Training is imparted in national institutions under the three wings of the defence services, including the National Defence College, New Delhi and the Defence Services Staff College, Wellington (GOI 1997). The training covers fields such as security and strategic studies, defence management, artillery, electronics, mechanical, marine and aeronautical engineering, anti-marine warfare, logistics management and qualitative assurance services.

During the period 1990-91 to 2000-2001, around 800 officers and JCOs from 12 African countries (Botswana, Burkina Faso, Ghana, Kenya, Mauritius,
Nigeria, Senegal, Madagascar, Seychelles, South Africa, Tanzania and Uganda) were provided training by the Indian Army under ITEC. India has also sent training teams to various African countries like Botswana, Zambia and Lesotho. As part of its cooperation in defence, India has supplied a small quantity of conventional arms to the Africans. India has supplied patrol crafts (SDB Mk-2 type) to Mauritius and Guinea Bissau (one each) in 1993, and light helicopters (SA-316 B Alouette-3 and SA-315B Lama) to Namibia (two each) in 1994 (Beri, 2008). India has also imported weapons from South Africa (Beri 2004).

**India Africa Relations in the New Century**

India is conscious that a new Africa that is emerging is economically vibrant and politically representative. The new millennium could well see a new resurgent Africa and nothing will give India greater joy than the fulfillment of this promise. India has initiated several economic collaboration arrangements with the countries of Africa as mentioned in the previous sections. Many Indian joint ventures are in operation in Africa. Joint commissions have been established and several bilateral agreements concluded in the fields of trade, technical and economic cooperation. Today there is much that India can share with Africa and much that Africa can give to India. India’s experience in small scale and medium enterprises and the vital areas of human resource development, is of great relevance for the people of Africa. Agriculture, rural development, development of infrastructure, housing and information technology are but a few other areas where both India and Africa can cooperate to mutual benefit.

India is involved in constructing relations of partnership and cooperation with regional African Organizations like the Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Economic Community of West African States (ECOWAS), UN Economic Commission for Africa and the African Development Bank. India has observer status in the Organisation of African Unity (OAU).

The first India-Africa summit was held in New Delhi in April 2008 with the aim of forging a strategic economic partnership between the two regions. Trade, investment, energy security and peacekeeping were top of the agenda at the summit. President Thabo Mbeki together with Foreign Minister Nkosazana Dlamini Zuma joined 13 other African leaders who were being hosted by Indian Prime Minister Manmohan Singh. According to the South African Foreign Affairs Department, the government delegation participated
in the summit within the context of strengthening Africa-India relations in particular, Africa-Asia relations in general and to consolidate South-South co-operation. The dynamic changes taking place both on the African continent and in India have opened new possibilities for a closer partnership. Furthermore, the realities of an increasingly interdependent world has emphasised the need for countries on the African continent and India to work closer together to address common goals and challenges. The two sides are also keen to work closely on important global issues like the proposed reform to the United Nations, the fight against terrorism and global warming.

In his inaugural address at the summit, Prime Minister Singh called for turning the 21st century into a “century of Asia and Africa.” India’s commitment for overall development and progress, he said, was steadfast as it was keen to see Africa find its rightful place in the world. Prime Minister Singh described Africa as the “land of awakening,” adding that the two billion people of India and Africa could set an example of “fruitful partnership.” The major point which emerged during the summit was that it should not be limited to an interaction between governments but should also reach to an engagement between the widest possible sections in India and Africa. The two-day summit sought to forge a more contemporary partnership in key areas of trade and energy. The declaration which released at the end of the Summit aimed to identify areas of potential growth where the two sides could work closely for their mutual benefit.

Accelerating Asian trade and investment in Africa hold great promise for Africa’s economic growth and development—provided certain policy reforms on both continents are implemented. The skyrocketing Asian trade and investment in Africa is part of a global trend towards rapidly growing South-South commerce among developing countries. The two emerging economic giants of Asia—China and India—now stand at the crossroads of the explosion of African-Asian trade and investment.

Exports from Africa to Asia tripled in the last five years, making Asia Africa’s third largest trading partner (27 per cent) after the European Union (32 per cent) and the United States (29 per cent). Indian and Chinese foreign direct investment in Africa also grew, with China’s amounting to $US1.18 billion by 2006. China and India each have rapidly modernising industries and burgeoning middle classes with rising incomes and purchasing power (Amberish 2000). These societies are demanding not only natural resource-extractive commodities, agricultural goods such as cotton, and other traditional African exports, but also diversified, nontraditional exports such as processed commodities, light manufactured products, household consumer
goods, food, and tourism. Because of its labour-intensive capacity, Africa has the potential to export these nontraditional goods and services competitively to the average Chinese and Indian consumer and firm.

However, there are major asymmetries in the economic relations between the two regions. While Asia accounts for one-quarter of Africa’s global exports, this trade represents only about 1.6 per cent of the exports shipped to Asia from all sources worldwide (Beri 2008). By the same token, FDI in Asia by African firms is extremely small, both in absolute and relative terms. And, the rise of internationally competitive Chinese and Indian businesses cuts into both domestic sales and exports of African producers of, for example, textiles and apparels.

Some of the reforms that should be undertaken by all the countries urgently include:

- “At-the-border” reforms, such as elimination of China and India’s escalating tariffs on Africa’s leading exports; and elimination of Africa’s tariffs on certain inputs that make its own exports uncompetitive;
- “Behind-the-border” reforms in Africa, to unleash competitive market forces, strengthen its basic market institutions, and improve governance;
- “Between-the-border” improvements in trade facilitation infrastructure and institutions to decrease transactions costs, such as customs administration, transport and communications; and
- Reforms that leverage linkages between investment and trade to allow African businesses’ participation in modern global production-sharing networks generated by Chinese and Indian investments in Africa. With this newest phase in the evolution of world trade and investment flows taking root—the increasing emergence of South-South international commerce—African businesses cannot afford to be left behind. Those reforms are critically important to allow Africa to be able to genuinely participate—and most importantly, benefit from—the new patterns of international commerce.

The global horizon of the partnership between India and Africa was not lost on anyone. The two sides agreed to intensify their collaboration not only in bilateral areas ranging from agriculture, food security, technology and trade to energy and capacity-building, as also on global issues like UN reforms, climate change, terrorism and multilateral trade negotiations (Amoako 2000). India announced a slew of measures focusing on technology transfer and human resource development that underlined its approach towards the African continent. These included granting preferential market access to 34 least developed African countries, more than doubling lines of credit to $5.4
billion over the next five years and increasing the ‘Aid to Africa’ budget by investing over $500 million in capacity building and human resource development projects.

Empowerment of the African people and its youth - the continent’s most precious resource - is India’s guiding mantra as it shepherds an old and trusted partnership into the whirling currents of the 21st century (Vasudevan 2000). Building bridges and connecting cultures are thousands of African students and officials who are educated and trained in India every year. Over 1,000 officials from sub-Saharan Africa receive training annually in India and thousands of African students get scholarships under the flagship Indian Technical and Economic Cooperation (ITEC) programme (Leon 2002). Over 15,000 African students study in India annually, many of who go on to occupy key positions in the government and business in their respective countries.

India’s pharmaceutical companies that compare with the best in the world have managed to come out with cheap retroviral drugs for combating HIV/AIDS that could go a long way in mitigating the debilitating impact of this disease in the continent. India’s flourishing private sector is increasingly looking at Africa as its chosen investment destination. Tata buses and trucks and Kirloskar pumps have become iconic brands in Africa. Be it energy, infrastructure or hotels and telecom, Indian companies have struck their roots in the continent. Bilateral trade has jumped from a few million dollars a few years ago to nearly $30 billion. Besides, Indian engineers, doctors, accountants and teachers - part of a vibrant and ethnically diverse Indian Diaspora - are present in many African countries. Indian peacekeepers in various conflict zones in Africa enjoy enormous goodwill as the Africans find a sense of connection with them.

India’s vigorous support for the New Partnership for Africa’s Development (NEPAD), prompt response to emergencies under the ‘Aid to Africa’ programme and lines of credit worth $1.5 billion to sub-Saharan Africa under the Team-9 initiative underlines its focus on sustainable development and empowerment in the continent (Beri 2003). With Africa emerging as a global oil hub, Indian companies have been quick to pitch their tents in the thriving hydrocarbon sector in the continent. ONGC Videsh Ltd (OVL), the overseas arm of India’s oil major, has invested over $1 billion in Sudan’s Greater Nile Petroleum Operating Company. Both private and public sector companies are actively scouting for fresh opportunities in Nigeria, Angola, Mozambique, Egypt, Libya, Algeria and the oil-rich countries of West Africa.

As India emerges as a knowledge power, technology has become a defining
motif of India’s quest for the transformation of Africa - embodied in the Pan-African e-Network, the brainchild of former president A.P.J. Abdul Kalam. The ambitious e-network seeks to bridge the digital divide by bringing the benefits of tele-education and tele-medicine.

Is Africa Ready for a Miracle?

Some studies show rosy pictures of “South-South” international commerce and of African potential to produce and export to Chinese and Indian markets at very competitive prices not just raw materials, but diversified, nontraditional exports such as processed commodities, light manufactured products, household consumer goods, food, and tourism. In short, Africa could be for India and China what China and India have been for the U.S. and Western Europe (and vice versa).

South-South trade might one day be the engine that drives African development just as Chinese manufacturing exports and Indian service exports are driving economic booms in those two countries. There has long been chatter about labour shortages creating upward pressure on Chinese wages and the fact that Chinese products may become less competitive, if not in first world markets, then in China’s own domestic market (GOI 1998). This is where the potential for Africa to use its comparative advantage - a low-cost labor force - comes in. If that labour force were mobilised, it could produce products for Indian and Chinese consumers at lower prices than many Indian and Chinese producers.

However, Africa’s magical export-driven boom may very well lay just beyond the horizon, but we are never going to get there until conscious, deliberate steps are taken to rectify these asymmetries. But the capacity of most African countries to take advantage of this moment, to break the cycle of exporting resources to underwrite other countries’ economic miracles rests on the following.

Weak institutions governments (i.e., government officials) getting fat off selling oil and minerals to Chinese state-owned enterprises have little incentive to invest time or money in developing the kinds of policies necessary to develop a more equal partnership with China or India. Many of the African governments are fully aware of the implications of unequal partnerships. Sure, it’s nice that China sends medical help to African countries and builds stadiums and roads, but what will that get anyone in the long run? Even light manufacturing or semi-processed commodities may require training workers and in some countries these skills are in short supply. Many African
countries have huge and highly-skilled Diasporas. Africa needs sophisticated, internationally-minded businessmen (and women) which it has them, they are just in short supply at home.

Conclusion

India’s Africa policy in the new century indicates both change and continuity. The people of Africa have acknowledged India’s support in the past and there is a lot of goodwill towards India in future as well. They are attracted towards the new image of India in the 21st century as the new centre for technology and commerce in Asia. India should reciprocate and follow the EU and the Japanese examples for cooperation to mutual benefit. Economically, this partnership with Africa would entail working closely with Africa on NEPAD. Culturally, it would entail greater interaction with people of Indian origin in Africa. Similarly, it involves the task of bringing Africa closer to the people of India through events like the Festival of Africa in India. Educationally, it would involve greater bilateral interaction between the two regions at all levels—school, college and university. Internally, it should lead to popularising African studies in India. Diplomatically, it should involve looking at ways and means to garner support for India’s strategic interests. By all accounts, the partnership between India and Africa is set to grow stronger in the days to come and a permanence of mutual interests aimed at mutual empowerment will ensure that it will survive the vagaries in the international system.

Notes

1. Politically, Africans felt relieved that super power domination in the continent had ended. On the other hand, there is a feeling that they are of little strategic importance to the major powers. Economically, Africa is of little importance to the major players in the world economy—the Western economies, the multinational corporations and the banking institutions.

2. As reported by the World Bank for the period 1990 to 1995, about 23,000 lecturers emigrated each year from African universities to countries where conditions were more congenial. The vacancy rates in the academic units of African universities range from 34 to 50 per cent.

3. Sabeer Bhatia, son of India, went on to invent Hotmail, the most popular form of Internet based e-mail, and sold it for US$400 million to Microsoft! Over 700 ICT firms in Silicon Valley are owned by Indians - mostly graduates of Indian Institutes of Technology.

4. The World Trade Organisation is alone among the economic blocs in allowing one vote per country, but de facto Africa find it hard to have their issues taken seriously by the great trading powers. If countries of
the south fail to take a joint stance, they will find themselves ruled by the law of the jungle in which the only the fittest - those who have the unfair advantages of history - will survive.

5. Mazrui says that Gandhiji’s message of non-violence and passive resistance inspired many black leaders in Africa including Kwame Nkrumah of Ghana, Kenneth Kaunda of Zambia and Julius Nyerere of Tanzania.

6. In the 1990s, a number of projects were initiated with Indian help. For instance, an Entrepreneurial Training and Demonstration Centre (ETDC) costing US $ 4.49 million has been constructed in Dakar (Senegal) by Hindustan Machine Tools (HMT) and handed over in June 2000. In Namibia, India has assisted in setting up a Plastic Technology Demonstration Centre.

7. The G8 countries have pledged support to NEPAD and launched an African Action Plan at the G8 Summit in June 2002. Among the G8 countries, Japan has been actively supporting the cause of African development. In 1993 the first Tokyo International Conference on African Development (TICAD) was held. This was followed by TICAD II in 1998 while TICAD III was in 2003.

8. In Sierra Leone Major-General V.K. Jetley got caught in controversy, with the Nigerian and other governments of the West African coalition which demanded his removal. General Jetley had accused senior African military commanders of the UN peacekeeping force of colluding with the rebels to mine diamonds illegally. The West African nations perceived the presence of Indian UN peacekeeping forces in Sierra Leone as ‘interference’.

9. These include India’s membership of the African Development Bank, assistance under the India’s Technical and Economic Cooperation programme, credit arrangements both through governmental channels and through the Exim Bank of India and several initiatives within the multilateral G-15 grouping and the Indian Ocean Rim Association for Regional Cooperation.

10. Amongst those attended the summit include Uganda President Yoweri Museveni, Tanzanian President Jakaya Mrisho Kikwete, Algerian President Abdelaziz Bouteflika, Burkina Faso Prime Minister Tertius Zongo, Democratic Republic of Congo President Joseph Kabila, Ethiopian Prime Minister Meles Zenawi, Ghana President John Agyekum Kufuor, Kenyan Prime Minister Mwai Kibaki and Senegal President Maitre Abdoulaye Wade, other than the South African delegation.

11. Technical and financial collaboration between India and Africa are epitomised in a slew of projects like the IT Park in Mauritius, the Entrepreneurship Training and Development Centre in Senegal, the Kofi Annan Centre for Excellence in IT in Ghana, the machine tools facility in Nigeria and Hole-in-the-wall IT training centres in various African countries.

References

Africa Quarterly, 40 (1)
Leon, Tony (2002): “NEPAD’s entry is a timeouts one,” Business Day (Johannesburg), 12 April.
Beyond Regions: 
Political Economy of India’s Trans-South Asian Engagements

K.M. SEETHI

Trans-regionalism has become one of the major areas of engagement in international relations today. It is a process that seeks to establish common, yet flexible linkages across regions in which individual countries, communities, and organisations operate and have close associate ties with each other in a defined framework. It is an integrative space between the regions or among the regional actors. As such trans-regionalism refers to an expansion of regionalism necessitated by the changing trends in the global economic order. This new wave of regionalism, often called ‘open regionalism,’ has multiple impacts. It witnessed the resurgence of old regional entities, and the emergence of new organisations (Yeung, Perdikis and Kerr 1999; Hoogvelt 1997; Hettne, Inotai and Sunkel 1999; Bhalla and Bhalla 1997).

In the era of economic globalisation, regionalism has a manifest agenda to promote Free Trade Area (FTA), customs union, common market, and economic union. The economic globalisation calls for the growth of regional trading arrangements beyond its traditional setting, manifesting itself from sub-regionalism, regionalism, inter-regionalism to trans-regionalism that envisage Preferential Trade Agreements (PTAs) and Free Trade Area (FTA) between regions. They are engaged in formulating comprehensive multilateral economic treaties, larger trade flow in goods, services, human resources, technology, and establishing joint ventures (Yeung, Perdikis and Kerr 1999).

The evolution of these processes has a long history and existed as a major determinant of the present international economic order conducted in accordance with the norms and rules of GATT (and its successor WTO). It aims to reduce tariff and non-tariff barriers in conformity with the provision of GATT. WTO acts as the
main promoter of regional integration. Most of the regional organisations formed in the 1960s to 1990s have been functioning in accordance with the provisions of GATT and WTO. Currently, there are more than 300 regional trading arrangements registered under the GATT/WTO, facilitating free trade and tariff reduction. The trading system now established through multilateral arrangements include European Union (EU), North American Free Trade Area (NAFTA), MERCOSUR, Association of Southeast Asian Nations (ASEAN), Asia Pacific Economic Community (APEC), Economic Cooperation Organisation (ECO), South African Development Community (SADC), the Common Market for Eastern and Southern Africa (CMESA), Economic Community of West African States (ECOWAS), South Asian Association for Regional Cooperation (SAARC), Bay of Bengal Initiatives for Multilateral Technical and Economic Cooperation (BIMST-EC), Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), and new groupings such as India, Brazil and South Africa (IBSA) forum, Brazil, Russia, India and China (BRIC) forum, Shanghai Co-operation Organisation (SCO) etc. These regional organisations are the determinants of present world order prompting different levels of integration, having significance in their respective continents. Among these regional entities, ASEAN and MERCOSUR are the highest integrative blocs in the South reaching at a level of Economic Union and Custom Union respectively. As the spectrum of such integrative efforts is vast, this paper focuses on India’s engagements with the EU and ASEAN only.

India’s trans-South Asian engagement is broadly the agenda of policy-planners to explore the role and prospects of Indian capital beyond the traditional home-region of South Asia. It is much more than establishing political ties with countries in other parts of the world. New Delhi would like to see other regions in the world and the major actors in such regions from the perspective of establishing basically new trade and commercial relations. This, I would argue, is against the spirit of Bandung consensus of 1955.

The idea of trans-regionalism in the Indian context has several implications. First, India has come to reckon that South Asia is not only insufficient for the expansion of its capital, technology, trade and services, but the region also does not offer a flexible political setting within which New Delhi can get on with its commercial engagements comfortably. It may be noted that the intra-regional trade in South Asia is too negligible and India’s share is still very low. The establishment of a free trade area in South Asia (SAFTA) has not significantly increased trade within the region. This calls
for more fruitful trans-regional ties.

Secondly, the major thrust of India’s foreign policy today is commerce and trade. Consequently, politics and ideology are projected as having secondary importance. This is done by skilfully concealing the fact that even commerce and trade have their own ideology and politics. This shift in emphasis has implications for India’s long-held Third World policy.

Thirdly, over years, as a result of the increasing emphasis being placed on trade and business with other countries and regions, the role of the Ministry of External Affairs (MEA) has been considerably curtailed and it has become an appendage of other ministries, particularly the Ministry of Commerce and the Ministry of Finance whose primary domain of engagement today is external rather than internal.

Fourthly, the notion of trans-regionalism has obviously eclipsed an earlier agenda of the Indian foreign policy which, for long had championed the struggle of the ‘South’ vis-à-vis the ‘North.’ The division between the South and North is no longer sustainable in the context of India’s pathological obsession for achieving the status of the North. Obviously the strategy of the South is not ‘struggle against the North’ but a ‘struggle to become the North.’

Even the Charter of Demands under the New International Economic Order

### Energy Cooperation in South Asia

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bangladesh</td>
<td>144</td>
<td>144</td>
<td>1109</td>
<td>69.9</td>
<td>480</td>
<td>4.9</td>
</tr>
<tr>
<td>2</td>
<td>Bhutan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>India</td>
<td>1110</td>
<td>3288</td>
<td>373</td>
<td>906.5</td>
<td>820</td>
<td>7.7</td>
</tr>
<tr>
<td>4</td>
<td>Maldives</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Nepal</td>
<td>28</td>
<td>147</td>
<td>193</td>
<td>8.1</td>
<td>290</td>
<td>-0.1</td>
</tr>
<tr>
<td>6</td>
<td>Pakistan</td>
<td>159</td>
<td>796</td>
<td>206</td>
<td>122.3</td>
<td>770</td>
<td>4.1</td>
</tr>
<tr>
<td>7</td>
<td>Sri Lanka</td>
<td>20</td>
<td>66</td>
<td>306</td>
<td>25.7</td>
<td>1300</td>
<td>6.6</td>
</tr>
<tr>
<td></td>
<td><strong>South Asia</strong></td>
<td><strong>1493</strong></td>
<td><strong>5140</strong></td>
<td><strong>312</strong></td>
<td><strong>1142.7</strong></td>
<td><strong>766</strong></td>
<td><strong>6.9</strong></td>
</tr>
<tr>
<td></td>
<td><strong>World</strong></td>
<td><strong>6518</strong></td>
<td><strong>133572</strong></td>
<td><strong>50</strong></td>
<td><strong>48481.8</strong></td>
<td><strong>7439</strong></td>
<td><strong>2.8</strong></td>
</tr>
<tr>
<td></td>
<td><strong>South Asia as per cent of world</strong></td>
<td><strong>22.9</strong></td>
<td><strong>3.85</strong></td>
<td><strong>-</strong></td>
<td><strong>2.3</strong></td>
<td><strong>10.3</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
(NIEO) has become redundant as far as India is concerned.

All these call for examining the issues in question from a political economy perspective. Before we proceed, let us have a quick look at the political economy of India’s foreign policy historically. India emerged as an independent country from the complex structure of imperialist-led capitalist world economy in the post-war conditions. Nearly two centuries of colonial rule had made India dependent on the architecture of world capitalist economy. While helping strengthen the nascent capitalist class in India, the colonial office ensured that the prospects of any radical restructuring of Indian economy being undermined. The national leadership, while struggling for independence and freedom, sought to sustain the capitalist path of development and thereby unwittingly ensured India’s dependence on the world capitalist economy. This was a paradoxical situation indeed (Seethi and Vijayan 2005).

The ruling class (under the leadership of the Nehru government) successfully mediated the emerging class antagonism by manoeuvring both the domestic and foreign policy. While the scheme of constitutionalism was being put in place as an instrument for social change and egalitarianism, the Nehru government was equally enthusiastic in projecting its foreign policy as ‘progressive’ and ‘radical’ because it sought to oppose the balance of power thesis and all cold war fixations. Regarding the development path, the Nehru government had no pretensions about its capitalist character, but stressed the importance of freedom and autonomy in decision-making and justified the Keynesian prescriptions of state intervention and welfarism. This was what we used to characterise as mixed economy model, though such a model perfectly fit into the framework of capitalism. Naturally, this development strategy went on promoting import-substitution industrialisation, protecting and sustaining domestic indigenous industries.

India’s non-alignment was conceived and got implemented at this time to meet the requirements of this model. It certainly helped strengthen India’s national autonomy, manoeuvrability in foreign policy, and more importantly, brought many clients within a larger Third World collectivity. It was through these coalitions that India tried to advance its interests as well as that of the Third World (Seethi and Vijayan 2005).

But things began to change since the 1980s when the Indian monopoly houses started asserting their demands for greater share in the domestic market as well as new avenues for external market. This called for fundamental restructuring of the framework of India’s development path.
What followed was the lunching of liberalisation and a shift in India’s developmental priorities. The major features of the new policy regime were deregulation of industries, decontrol of prices, liberalisation of imports, tax reductions, downsizing of welfare funds and increase in deficit spending. These trends crystallised into a coherent package in the early 1980s when India had committed to another IMF loan. This was followed by various initiatives to further liberalise the economy (Jalan 1991; Jalan 1992). During this new phase of liberalisation, the Indian economy experienced a dramatic and fundamental shift. This was to enable Indian business to make up for the long-term stagnation of the domestic market by seeking external markets. Such a shift of priorities required that concessions should be given to foreign capital, in general, and US multinationals, in particular, and structural adjustments stipulated by the IMF should be carried out. The justification given for the shift of economic policy was that it would provide access to foreign technology as well as creating conditions under which Indian business houses as well as state enterprises using high technology would be in a position to enter external markets.

Throughout the eighties, the Indian economy experienced a deepening integration with world economy and foreign capital, and became amenable to international economic fluctuations over which it could exercise no control whatsoever. In the 1980s and 1990s, India’s monopoly houses, which supported autonomous capitalist development in the immediate postcolonial period, became vigorous supporters of liberalisation and globalisation. The business houses began to identify themselves with foreign capital and global economy rather than with national priorities and interests. Preferential credit to small and medium-sized enterprise was eliminated and the big business families, in partnership with foreign capital, began entering into a variety of areas previously reserved for small-scale industry. The capitalist farmers and rural landlords, the urban middleclass and bureaucrats and professional elite who enjoyed personal benefits from globalisation provided the social base for the new economic policy, apart from the big industrialists. The World Bank – IMF dictated policies called for important changes:

a) gradual withdrawal of the state from the economic activities; b) the encouragement of private investment; c) increasing reliance on external private capital for economic development; d) the gradual privatisation of public enterprises; e) the introduction of fiscal and monetary policies that will help pass control of overall direction of economic policies from the Indian state to external private finance capital. These measures had tremendous implications for the Indian economy and its sustainability in the context of the fast changing global economic scenario. In the 1990s globalisation acquired momentum through the successful completion of the Uruguay Round GATT
negotiations, which resulted in the Marrakesh Agreement (1994) and the formation of the World Trade Organisation (WTO) in 1995. The WTO seeks to ensure the legitimacy of the global market mechanism and the hegemony of global capital. Yet, India decided to become a member of this trade regime. India’s accession to the WTO made several policy changes inevitable in the realm of trade, investment, service, industry and agriculture (Dubey 1996).

The globalised world economy has created an environment marked by market hegemony, increased competition, structural changes in manufacturing, and a proliferation of trade agreements. Since the launching of neoliberal economic reforms in the early 1990s (India, Ministry of Finance 1992), India has tried to play an important role in the global arena as the world’s fourth largest economy (in purchasing power parity terms) and amongst the world’s top five fastest growing economies. It is true that India counts in the world on many fronts with its rich genetic pool, initiative, technological capability, manpower, research potential and, above all, the booming market. While India has a high profile robust macro economic performance, the social sectors did not exhibit the kind of growth registered elsewhere. Therefore India’s rank in human development index and world poverty index is abysmally low. More importantly, India’s share in world trade has not significantly improved in spite of the best efforts made by India by opening of its economy. At the current level it is less than 1.5 per cent (India, Ministry of Finance 2010).

It is against this backdrop of trade trends and development trajectory that we try to explore the potentials and challenges of trans-regional ties of India. We have before us two experiences - one with the European Union, a congregation of developed countries and ASEAN, a congregation of developing countries. It is argued here that in both instances, the myth of ‘free trade’ is well exposed given the negative trends emerging from India’s trade with them.

Ties with European Union

European Union (EU) emerged as an economic and political partnership among 27 European countries having 495 million as its population. In terms of the demographic strength, the combined population of all these 27 countries is not even half of India’s population of more than a billion. The EU, which has strategic partnership with only five other countries (USA, Canada, Russia, Japan and China) sees India as a regional and global leader engaging increasingly on equal terms with other world powers.

An important feature of India-EU relations today is its structured pattern
## Table-2 Selected Energy Indicators of South Asia 2006

<table>
<thead>
<tr>
<th>Indicators/Country</th>
<th>Bangladesh</th>
<th>India</th>
<th>Nepal</th>
<th>Pakistan</th>
<th>Sri Lanka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>153.28</td>
<td>1134.40</td>
<td>27.13</td>
<td>158.08</td>
<td>19.12</td>
</tr>
<tr>
<td>GDP (billion 2000 $)</td>
<td>61.36</td>
<td>644.10</td>
<td>6.35</td>
<td>92.77</td>
<td>19.66</td>
</tr>
<tr>
<td>GDP ppp (billion 2000 $)</td>
<td>259.08</td>
<td>3362.05</td>
<td>37.43</td>
<td>328.49</td>
<td>80.22</td>
</tr>
<tr>
<td>Energy Production (Mtoe)</td>
<td>19.31</td>
<td>419.04</td>
<td>8.15</td>
<td>61.27</td>
<td>5.25</td>
</tr>
<tr>
<td>Net Imports (Mtoe)</td>
<td>4.58</td>
<td>121.60</td>
<td>1.02</td>
<td>15.54</td>
<td>4.32</td>
</tr>
<tr>
<td>Total Primary Energy Supply (TPES) (Mtoe)</td>
<td>24.19</td>
<td>537.31</td>
<td>9.17</td>
<td>76.33</td>
<td>9.37</td>
</tr>
<tr>
<td>Electricity Consumption (a)  (TWh)</td>
<td>20.78</td>
<td>525.93</td>
<td>1.88</td>
<td>71.07</td>
<td>7.43</td>
</tr>
<tr>
<td>$\text{CO}_2$ Emissions (b) (Mt of $\text{CO}_2$)</td>
<td>36.34</td>
<td>1147.46</td>
<td>3.05</td>
<td>118.40</td>
<td>12.27</td>
</tr>
<tr>
<td>TPES /Pop (toe/capita)</td>
<td>0.17</td>
<td>0.49</td>
<td>0.34</td>
<td>0.49</td>
<td>0.48</td>
</tr>
<tr>
<td>TPES/GDP (toe/000 2000 $)</td>
<td>0.39</td>
<td>0.83</td>
<td>1.44</td>
<td>0.82</td>
<td>0.48</td>
</tr>
<tr>
<td>TPES/GDP (ppp) (toe/000 2000 $ ppp)</td>
<td>0.09</td>
<td>0.16</td>
<td>0.24</td>
<td>0.23</td>
<td>0.12</td>
</tr>
<tr>
<td>Electricity Consumption/Pop (Kwh/capita)</td>
<td>147.00</td>
<td>480.00</td>
<td>69.00</td>
<td>456.00</td>
<td>379.00</td>
</tr>
<tr>
<td>$\text{CO}_2$/TPES (t $\text{CO}_2$/toe)</td>
<td>1.50</td>
<td>2.14</td>
<td>0.33</td>
<td>1.55</td>
<td>1.31</td>
</tr>
<tr>
<td>$\text{CO}_2$/Populations (t $\text{CO}_2$/capita)</td>
<td>0.26</td>
<td>1.05</td>
<td>0.11</td>
<td>0.76</td>
<td>0.63</td>
</tr>
<tr>
<td>$\text{CO}_2$/GDP (kg $\text{CO}_2$/2000 $)</td>
<td>0.59</td>
<td>1.78</td>
<td>0.48</td>
<td>1.28</td>
<td>0.62</td>
</tr>
<tr>
<td>$\text{CO}_2$/GDP(kg $\text{CO}_2$/2000$ppp$)</td>
<td>0.14</td>
<td>0.34</td>
<td>0.08</td>
<td>0.36</td>
<td>0.15</td>
</tr>
</tbody>
</table>

since the first India-EU Summit held in Lisbon in June 2000. India-EU relations have grown exponentially from what used to be a purely trade and economic driven relationship to one covering all areas of interaction. At the Fifth Summit, EU’s relationship with India was upgraded to ‘Strategic Partnership.’ The EU is today India’s largest trading partner, and with over $75 billion worth of trade, it accounts for 20 per cent of India’s global trade. By contrast, India’s share in the EU’s global trade is a meagre 1 per cent. It is evident that there is considerable gap in India’s business relationship with the EU.

The EU is also one of the largest sources of FDI for India. The most important countries in the EU for FDI are UK, Germany, and Netherlands followed by France, Italy and Belgium. Indian companies have also begun to invest in the EU in recent years. UK, Belgium, Germany, France, Italy and The Netherlands are important trade & investment partners for India. Despite all this, India accounts for just 1.3 per cent of total EU imports of goods. In services, the figure is even lower, just 1 per cent. India receives only 0.6 per cent of the EU’s worldwide investments: a poor return for a country where 17 per cent of the world population lives. This compares unfavourably with China’s share of 6 per cent of the EU import market.

Meanwhile, the Federation of Indian Chamber of Commerce and Industry (FICCI) made a big claim that India’s trade with the European Union has the potential to reach $572 billion by 2015 once the free trade agreement (FTA) being negotiated

<table>
<thead>
<tr>
<th>Country</th>
<th>Recent Terawatt-hours</th>
<th>Year</th>
<th>2010 Terawatt-hours</th>
<th>2020 Terawatt-hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>0.7324</td>
<td>2003</td>
<td>1.13</td>
<td>3.88</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>24.06</td>
<td>2005</td>
<td>31.60</td>
<td>72.80</td>
</tr>
<tr>
<td>Bhutan</td>
<td>0.64</td>
<td>2002-03</td>
<td>1.70</td>
<td>6.88</td>
</tr>
<tr>
<td>India</td>
<td>726.70</td>
<td>2005</td>
<td>893.00</td>
<td>1,756.00</td>
</tr>
<tr>
<td>Maldives</td>
<td>0.15</td>
<td>2003-04</td>
<td>0.36</td>
<td>1.57</td>
</tr>
<tr>
<td>Nepal</td>
<td>2.36</td>
<td>2003-04</td>
<td>3.81</td>
<td>8.08</td>
</tr>
<tr>
<td>Pakistan</td>
<td>113.50</td>
<td>2002-05</td>
<td>130.00</td>
<td>251.00</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>7.09</td>
<td>2002-03</td>
<td>11.20</td>
<td>23.90</td>
</tr>
</tbody>
</table>

Sources: 2006 data for Bangladesh, India and Pakistan from BP; 2003 data for Afghanistan from Energy Information Association; all other data and projections from South Asia Regional Initiative/ Energy (BP, Statistical Review of World Energy Outlook 2006).
with the 27-nation bloc is implemented. However, in the backdrop of the global financial crisis, it would be too much to expect a giant leap in India-EU trade. The government of India has already admitted that the EU market is now increasingly inaccessible given the magnitude of the global recession and the decline in world trade. This is the kind of justification that India has given to legitimise the free trade agreement with the ASEAN.

Already EU’s and India’s perspectives on globalisation and the role of the WTO differ in a number of areas. The EU is perceived in India as a market that is increasingly becoming more difficult to penetrate. Cumbersome rules, regulations and procedures, ever increasing stringency of standards and frequent use of trade defence instruments are seen as serious non-trade barriers. India often faces setbacks because of the EU’s Trade Defence Actions which affect Indian exports to the EU. It is rather odd that a developing country like India should be facing innumerable Anti-Subsidy actions in force in EU. Textile and clothing exports contribute over 27 per cent of Indian total exports to the EU. This sector supports over 80 million people through direct and indirect employment. Yet, India has suffered in the last few years due to arbitrary administration of the GSP Scheme, wherein zero duty concession on 2500 tariff lines was extended to India’s competitors.

But, as India seeks new markets that fuel its expansion as a globalised economy, its engagement with the EU has not been spectacularly successful. Non-tariff barriers (NTBs) continue to act as impediments to easier and faster flow of goods and services. In recent times political forces within the EU have shifted their opinion on the side of cautious protectionism. Analysts in India are concerned that this might shift significantly to a more overt form of protectionism.

India has time and again sought greater market access as a corrective action to balance trade and an extension of preferential treatment under the GSP. EU often attributes the slow growth of Indian exports to poor quality, uncompetitive pricing, inability to meet delivery schedules, unfavourable cost structures, bureaucratic red-tapism, poor infrastructure, and so on. EU has also brought in the so-called social clause relating to child labour and environment to stall Indian exports. It has advocated that trade concessions be contingent on ILO standards, which would lead to wage hikes, resulting in Third World countries’ exports becoming less competitive and EU exports more attractive.

EU’s insistence on the inclusion of social clauses in trade agreements is guided only to see that low labour costs are not used as a tool to affect competitiveness. As India’s relations with EU are subject to many pulls and pressures in the realm of trade, it would be even more challenging in political and security spheres. Potential areas of conflicts still exist in Indo-EU relations which include restrictions on the
use of transfer of technology (especially dual use), concerns of human rights in India, nuclear and missile proliferation and access to markets. It may be noted that the major West European countries have lived in the shadow of the US and therefore yield to American pressure, and generally adopt similar positions. This often comes in the way of Indo-EU relations. All this shows that the challenges are more formidable than the opportunities in India’s trans-regional fixations with the emerging Europe.

The current negotiations between India and EU on a broad-based bilateral trade and investment agreement (BTIA) have seen differences emerge in a number of critical areas, including those on intellectual property rights. What is perhaps more disconcerting is that these two negotiating partners find themselves on opposite sides of the table in a number of forums. The most recent case is a dispute initiated by India against the EU at the World Trade Organisation (WTO). EU customs authorities had seized authorised generic pharmaceutical products—in transit to Latin America and Africa—when they were transiting through ports and airports in the Netherlands. More than 20 cases of seizures took place in 2008 and 2009. While taking action, EU authorities had enforced a 2003 European Commission directive, which allows seizure of goods that are suspected of infringing the rights of intellectual property holders in the EU even when the goods are merely in transit, i.e., they have not entered the customs territory of any EU member state. Though the EU clarified that the seized shipments were released, the inordinate delays caused in transit not
Energy Cooperation in South Asia

only affected the commercial interests of the exporting Indian firms but also denied patients in the importing countries access to crucial life-saving medicines (Dhar 2010).

There are at least two substantive grounds on which the EU directive is in explicit violation of WTO rules and procedures. First, WTO law provides that intellectual property owners have the right to prevent third parties from making, using, offering for sale, selling or importing the protected products or processes. In other words, the rights can be enforced only when there is an explicit conflict with the commercial interests of the owners of intellectual property rights. However, in the case involving seizures of pharmaceutical products, the commercial interests of the EU intellectual property owners were in no way affected, since the products were merely in transit through the Dutch ports (Dhar 2010). Second, there is a mutual agreement among WTO members to grant freedom of transit through their territories, through the routes most convenient for international transit, for traffic in transit to or from the territory of other members. This provision was agreed to when the General Agreement on Tariffs and Trade, or GATT, the predecessor organisation of WTO, became effective in January 1948. Importantly, during the six decades of GATT’s existence, the multilateral trading system has seen no dispute on the issue of freedom of transit. That means this is the first time that the multilateral trading system would be considering a case where the freedom of transit has been denied by a member.

It is not only in international markets where the EU is challenging generic pharmaceutical producers. In the domestic market, these firms are facing the heat as the EU pushes for changes to Indian laws that govern marketing of pharmaceutical products. The EU is, in effect, seeking to introduce in India laws governing marketing of pharmaceutical products that are similar to its own. In the EU, any firm seeking marketing approval for a new pharmaceutical product, for which it has submitted data on clinical trials, can get exclusive marketing rights on the product for 10 years. This implies that any other producer can market a similar product only after the 10-year exclusivity period has lapsed. Introducing these provisions in India can dent the market prospects of generic producers, most of which are looking to introduce cheaper versions of patented products once their patent terms have ended.

Another challenge for the Indian generic pharmaceutical industry may come from the proposed Anti-Counterfeiting Trade Agreement (ACTA), an agreement which is the result of a joint initiative taken by the US, the EU and Japan. ACTA negotiations have a twofold objective: to redefine counterfeit products and to strengthen the enforcement of intellectual property rights. Obviously,
India will face new problems in its engagements with EU, especially when the proposed FTA with EU becomes a reality.

**Trans-Regional Ties with ASEAN**

If the experience of India’s trans-regional ties with a developed countries’ grouping such as EU is not positive, it is equally challenging with a developing countries’ grouping such as ASEAN. It is believed that India’s ‘Look East’ policy provided the setting for both India and ASEAN to move closer in more than one way and created the foundation for stronger ties. India’s strengthening relations with ASEAN have also been facilitating greater Indian interactions with the other Asia-Pacific markets. The process was initiated way back in the early 1990s but it got momentum in the early twenty first century when India became a partner in the pan-regional setting. This culminated in the signing of the FTA with ASEAN in August 2009 (India, MCI 2009). India’s FTA with ASEAN will create new problems for India’s domestic market. The government of India has patently ignored the realities of India-ASEAN trade during the last several years. Though it is true that ASEAN is India’s fourth largest trading partner, the two-way trade pattern shows that India has already been the net loser since 2001. The trade deficit for India has risen from 3.5 billion dollars to 14.5 billion dollars during this period.

While exports to ASEAN countries have increased from 6 to 22 per cent, imports from these countries registered a growth of 66 per cent. Today, the trade deficit with ASEAN grouping amounts to 15 per cent of India’s overall world trade deficit. This is a significant pointer considering the abysmally low level of India’s share of world trade (India, MCI 2010). The global financial crisis could only worsen India’s prospects of trade and market access to both the developed and developing countries (India, Ministry of Finance 2009).

India’s argument that it can offset the trade deficit with the implementation of the FTA is highly misplaced given the fact that the ASEAN countries already have FTAs with giants like China, Japan and South Korea. ASEAN trade with these countries shows remarkable rise during the last few years and this is likely to grow given the comparative advantage of these countries in many sectors. For instance, ASEAN trade with China today is about five times of India’s current trade volume (40 billion dollars) with countries of Southeast Asia.

The protagonists of the FTA argue that India-ASEAN trade would rise to the level of 50-60 billion dollars in another five years, which is still far behind the trade volume of ASEAN countries with other actors in East Asian sector. What is often ignored in the current debate is the challenges of Indian manufacturing sector in ASEAN countries which is dominated by the East Asian giants.
### Table 5: Energy Consumption Pattern, 2007

(Millions Tonne Oil Equivalent, mtoe)

<table>
<thead>
<tr>
<th>Item</th>
<th>Afghanistan</th>
<th>Bangladesh</th>
<th>Bhutan</th>
<th>India</th>
<th>Maldives</th>
<th>Nepal</th>
<th>Pakistan</th>
<th>Sri Lanka</th>
<th>South Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial fuels</td>
<td>6.91</td>
<td>16.64</td>
<td>0.29</td>
<td>106.00</td>
<td>0.19</td>
<td>7.40</td>
<td>23.36</td>
<td>3.58</td>
<td>164.37</td>
</tr>
<tr>
<td>Coal</td>
<td>0</td>
<td>0</td>
<td>0.01</td>
<td>171.00</td>
<td>0</td>
<td>0.17</td>
<td>3.30</td>
<td>0.00</td>
<td>174.48</td>
</tr>
<tr>
<td>Oil Products</td>
<td>0.21</td>
<td>3.71</td>
<td>0.04</td>
<td>124.00</td>
<td>0.27</td>
<td>0.77</td>
<td>15.21</td>
<td>3.01</td>
<td>147.22</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>0.11</td>
<td>8.20</td>
<td>0.00</td>
<td>28.00</td>
<td>0</td>
<td>0</td>
<td>27.39</td>
<td>0</td>
<td>63.79</td>
</tr>
<tr>
<td>Elect. Hydel</td>
<td>0.03</td>
<td>0.23</td>
<td>0.12</td>
<td>18.00</td>
<td>0</td>
<td>0.14</td>
<td>6.47</td>
<td>0.83</td>
<td>25.82</td>
</tr>
<tr>
<td>Elect. Nuclear/renewable</td>
<td>0</td>
<td>0.23</td>
<td>0.12</td>
<td>18.00</td>
<td>0</td>
<td>0.14</td>
<td>6.47</td>
<td>0.83</td>
<td>25.82</td>
</tr>
<tr>
<td>Total primary Elect.</td>
<td>0.03</td>
<td>0.23</td>
<td>0.12</td>
<td>26.50</td>
<td>0.14</td>
<td>0.42</td>
<td>6.89</td>
<td>0.83</td>
<td>34.74</td>
</tr>
<tr>
<td>Total commercial energy</td>
<td>0.35</td>
<td>12.20</td>
<td>0.17</td>
<td>349.50</td>
<td>0.27</td>
<td>1.08</td>
<td>52.79</td>
<td>3.84</td>
<td>420.20</td>
</tr>
<tr>
<td>Total Energy Consumption</td>
<td>7.26</td>
<td>28.80</td>
<td>0.46</td>
<td>455.50</td>
<td>0.46</td>
<td>8.48</td>
<td>76.15</td>
<td>7.42</td>
<td>584.60</td>
</tr>
<tr>
<td>% share of biomass in total</td>
<td>95.00</td>
<td>58.00</td>
<td>63.00</td>
<td>23.00</td>
<td>41.00</td>
<td>87.00</td>
<td>30.00</td>
<td>48.00</td>
<td>28.00</td>
</tr>
<tr>
<td>Percapita commercial energy consumption</td>
<td>16.00</td>
<td>89.00</td>
<td>243.00</td>
<td>335.00</td>
<td>759.00</td>
<td>44.00</td>
<td>355.00</td>
<td>200.00</td>
<td>302.00</td>
</tr>
</tbody>
</table>

India’s only hope is apparently in the service sector, which does not come under the purview of the present FTA.

Already, India’s trade balance with the 10-member ASEAN countries deteriorated sharply during the first half of 2010 despite a six-fold increase in total trade (Economic Times: 23 June 2010). The Commerce Ministry, however, assured that this was not a reason for concern as the growing imbalance is largely because India started purchasing more oil and coal from the region. The implication is that it has been merely shifting of trade deficit from countries India traditionally bought fuel from to the ASEAN region. According to the Ministry the free trade pact would boost the country’s exports and help cut the deficit. India-ASEAN bilateral trade increased to $46.1 billion in 2008. India – ASEAN trade stood at US$ 43.5 billion in 2009-10 and is targeted to reach US$ 70 billion by 2012 (India, MCI 2010). “We have started importing oil worth $2-3 billion annually from Malaysia alone. We are also importing oil from Brunei and coal from Indonesia,” according to a commerce department official. The official said that such imports started only recently and hence the numbers show a stark difference between imports in 2000 and in 2008. “The ASEAN countries have an average import tariff of 7 per cent in place which would be subsequently brought down to zero,” the Ministry said, adding that it would create huge export opportunities for Indian industry as the ASEAN market was vibrant and growing. Various studies say that if trade in services, such as tourism, logistics and transportation services is considered, India’s trade deficit is expected to be much higher. This is primarily because of the higher competitiveness of ASEAN imports and better trade practices.

India-ASEAN FTA has obvious implications for the country’s regional stability too. For instance, as far as Kerala is concerned, the challenges are formidable given its long term dependence both on its exports and imports (Harilal 2009). By merely increasing productivity Kerala cannot meet the challenges unless the market fluctuations in the global arena are manageable within limits. Unfortunately, the global market today is controlled by a few monopoly houses whose interests transcend the boundaries of nation-states. FTAs are a calculated stream of monopoly controls in world trade which the WTO openly advocates. Political economy of the trans-regional FTAs needs to be identified before India jumps into such whirlpools of mystical ‘free trade.’

The new commitments and obligations that India has undertaken in this era have changed the role of the state as a facilitator of business and trade rather than provider of social security, welfare and employment. This ideological shift from a liberal-democratic framework to a neoliberal agenda of development underlines the vulnerability of the Indian state which has already become increasingly dependent on global capital more than ever before. India’s obsessions with trans-regionalism
should be contextually viewed against the neglect of the interests and objectives of the developing countries in world economic transactions and negotiations. It may be noted that even after several rounds of multilateral trade negotiations, Third World countries continued to face many problems with industrialised countries. Successive governments that have come to power in India since the 1990s developed some sort of a ‘consensus’ on economic reforms and globalisation, which hardly address problems of equality and social justice from a larger perspective (Amin 1994). Concerns expressed from the Third World fora hardly reflect the actual domestic policy package where the major consideration of policymakers has been how to reap the windfall in the age of globalisation. To the extent that India has committed itself to the neoliberal economic regime, the country does not have a sustainable strength to retain its sovereign space against the pressures of the global capital.

The image of India as the leader of the developing countries has come under challenge on account of its newfound role in the emerging global order. One can hardly agree that the position of India has changed for better in the new equations of international economic relations. It has, rather, worsened as could be seen in the ever-widening gap between the rich and poor, both within and across nations, as globalisation and capital accumulation get intensified with all their contradictions. This is, perhaps, the most crucial challenge that India will have to grapple with. Trans-regionalism as such is not the solution but the beginning of a new set of contradictions in the global economic arena.

References


Over the past few years, energy security has moved up the global agenda. There are three major reasons for this: first, the impact of high and often volatile energy prices; second, rising Asian powers and the growing demand for energy in India and China; and third, concerns over environmental sustainability and particularly about the global climate change. All these issues are critically important for South Asia in which impressive economic growth has boosted the demand for energy and put corresponding strains on the environment. Energy is a key ingredient of the socio-economic development of any region. South Asia is not only one of the fastest growing regions in the world; it is also one of the poorest, which thus puts energy at the very heart of the development process in the region. Economic growth and burgeoning populations have put South Asia’s energy security in a perilous state. Already energy and power shortages are stunting development in some of the region’s least developed locations spurring political insurgences and social dislocation. While the per capita energy consumption is one of the lowest in the world, energy intensity continues to be very high (Ebinger 2010). A large portion of the population lacks access to modern sources of energy and depends on traditional sources that are not only inefficient but also have severe health and environmental problems associated with them. Increasing oil import dependency and huge investment needs for energy market development pose a further challenge. This paper lays out the current regional energy picture arguing that the only way to achieve sustainable energy security is through regional collaboration both within the region as well as with regional neighbours in West Asia, Central and Southeast Asia. The region has a good resource potential and tremendous scope for energy co-operation, which can play a key role in addressing many of these energy security concerns and in putting it on the path of sustainable development. It is ironic that the record in the area has been so limited and that too in the most basic form of co-operation, i.e. bilateral arrangements between countries. This paper also puts forth a multi-pronged strategy for sub-regional energy co-operation encompassing softer options aimed at confidence building to more substantial and larger scale cooperation efforts. Delays in decision making to ensure stronger and mutually beneficial co-operation efforts are associated
with high costs not only to the energy sector but also for the entire development agenda of the region.

**Energy Profile of South Asia**

South Asia is home to 1.5 billion people, about quarter of the world population but has 43 per cent of the world’s poor and only 2 per cent of world’s GDP. South Asia, including Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka, is a region of stark contrasts. One of the most populous regions of the world, it has a relatively small land mass and a high incidence of poverty. Although the South Asian region is a repository of the poorest people in the world, with more people without adequate access to energy than anywhere else in the world, ailed with pressing issues of mortality and health, economically it is also one of the fastest growing regions of the world. The countries of the region range in size from India, with a population of over 1 billion, to the Maldives with a population of just below 400,000. Globalisation has brought the region to a crossroads. There are two faces of South Asia. The first South Asia is dynamic, growing rapidly, highly urbanised, and is benefiting from global integration. The second South Asia is largely agricultural, land-locked, exhibits high poverty, suffers from many conflicts, and is lagging (Yoshida 2008). The divergence between the two faces of South Asia is on the rise. Many policy and institutional constraints contribute to this dichotomy. One important constraint is regional conflict that has made South Asia one of the least integrated regions of the world (Ahmed and Ghani 2007). While progress has been made in reducing trade barriers with the rest of the world, intraregional trade is a mere 5 per cent of total official trade as compared with over 50 per cent in East Asia.

While growing populations have kept the per capita income in the countries of South Asia stubbornly below the world average, their economies are expanding and the demand for energy has soared. These nations are trying to meet ambitious poverty reduction goals while their growing industrial, commercial, and transport sectors and urban and middle-income consumers are using energy at unprecedented rates. To unleash the region’s economic potential, every country in South Asia will have to face critical decisions, ranging from depleting indigenous energy resources to developing long-term plans to secure national and regional energy needs (Nanda 2008). Despite the low rates of economic growth from the fifties to the eighties, the region was undergoing dynamic growth rates averaging 5-6 per cent year
during the last two decades. The region is also characterised by poverty, illiteracy and low life expectancy. It is the least gender-sensitive region and it has the highest human deprivation, in terms of access to health facilities, safe drinking water, sanitation facilities and opportunity for work and leisure (Table 1). At the same time, South Asia is the most militarised region in the developing world, with the highest percentage of GDP going to military expenditures. This implies that a large portion of the income which should have been used for improving the lives of people is being used for armament in view of the contending threat perceptions of the regional countries. South Asia is a dynamic and complex region that presents the world with significant opportunities and challenges to global security, stability and human well-being. The region is home to India, the world’s largest democracy and a rising power with one of the fastest growing economies in the world. It also includes governments struggling to maintain control of their countries, two nuclear powers that coexist in an uneasy and often tense relationship, and conflicts with extremists forces. All of these factors make the region a subject of considerable strategic importance to the major powers and the larger international community.

The current trends in economic growth show that the demand for energy in South Asia is going to increase steadily and substantially for the foreseeable future. According to the International Energy Agency forecast for the region this demand will probably more than double over the next 30 years—Indian requirements alone are projected to increase more than 140 per cent—compared with an increase of only 55 per cent for the world as a whole (IEA 2009). This rapid rise in energy needs is, of course, a necessary corollary of continued economic growth. It is well known that although countries may differ in their ratios of energy consumption to economic output, or energy intensity, there is a clear and unavoidable correlation between the two (Singh and Pannu 2009). Moreover, this energy intensity tends to increase in any given economy as the focus of production shifts from the agricultural to the manufacturing and service sectors (Newberry 2007)—exactly what economists say has to happen in countries such as Pakistan and India if recent growth rates are to
be sustained (Ahmed and Ghani 2007). Even without such a shift, two other factors suggest that energy intensity in South Asia will have to increase nevertheless. One is that, according to the World Bank, unreliable supplies of energy, particularly electricity, are already the most important factor in the high cost of doing business in South Asia compared to other regions. Reducing such costs is one of the essentials of sustained growth (Ibid). The other is that whether or not economic activity shifts away from the agricultural sector, the pressing need to improve standards of living in the backward regions will require a range of specific measures such as rural electrification, improving transportation of crops to markets, better medical care, clean drinking water, and access to cleaner cooking and heating fuels, all of which will further drive up energy requirements.

Another major reason for the energy crisis in South Asia is the volatile situation in energy pricing especially in the international crude oil prices. Energy economists say that we are never going to see the days of cheap energy again (Moran and Russel 2008). Strategists in the developed countries have generally accepted such an upward trend and started diversifying their energy security policy. The reality is that no South Asian country is going to be able to meet its energy needs entirely from within its own domestic resources. Most of the countries in the region have energy endowments of one kind or another: India has significant coal deposits, Bangladesh has natural gas, and the countries across which the Himalayas and Hindu Kush lie have substantial undeveloped hydroelectric potential. But development of the transportation sector in these countries is going to depend on oil, which no South Asian country has yet discovered in any substantial quantities. In short, none of the South Asian countries possesses the entire range of energy resources needed to meet its development objectives. The obvious conclusion is that energy trade must be part of the solution to South Asia’s continued development. A large share of that trade must clearly come from outside the region. After all, the South Asian countries collectively are now able to meet less than 30 per cent of their combined oil needs from within the region; if increasing demand is to be met at all, most of the new supplies will have to come from the Persian Gulf or beyond (Ebinger 2010). However, in addition to external sources of supply, international energy experts increasingly believe that greater cooperation within South Asia and with adjoining regions would be one of the most effective ways—perhaps an indispensable way—to deal with the regional energy deficit (Newberry 2007). This emphasis on regional cooperation has caught the attention not only of economists but of the official development community as well. The rationale for looking to regional
cooperation as the key to meeting South Asia’s burgeoning energy needs is laid out in a recent World Bank study that describes such an approach as providing a “logical and rational public policy choice . . . a win-win situation to all the participants” (Krishnaswamy 2007). The study points out that the fundamental economic conditions for trade exist: some countries in and near South Asia (specifically Bhutan, Burma, Iran, Kyrgyzstan, Nepal, Tajikistan, and Turkmenistan) have more fossil or hydropower resources than they can use, while others (Afghanistan, Bangladesh, India, Pakistan, and Sri Lanka) face a widening gap between demand and supply.

In 2000, energy cooperation was brought directly under the purview of the SAARC Integrated Programme of Action. Under the programme of Action the subject was being dealt with by the Technical Committee on Science and Technology. In view of the increasing importance of cooperation in this sector SAARC established a Technical Committee on Energy in 2000. Recognising that this vital area needs intensive attention, the 12th SAARC summit held in Islamabad in 2004, set up a specialised Working Group on Energy to undertake a focused study of various possibilities for cooperation in the field of energy including the concept of an Energy Ring that would include transnational energy lines for trade in electricity, gas and oil. The subsequent induction of Afghanistan in SAARC introduced an added dimension to the issue as that country, connecting Central Asia with South Asia, can play an important role in that sector. Special attention was given to the development of environment friendly energy, to promote non conventional and renewable sources of energy for economic development and poverty reduction, and to place special focus on energy availability in rural areas. It has formulated the terms of reference for study on energy trade in the region (Sami 2008).

At the SAARC Energy Minister’s conference in Islamabad in September-October 2005, it was agreed to establish a SAARC Energy Center (SENTER) in Islamabad, Pakistan. The primary objective for the establishment of SENTER is to have a regional institution of excellence for the initiation, coordination and facilitation of SAARC programmes in energy. The promotion of private sector investment and participation in energy activities of the region assumed top most priority. This is to convert the saving potentials into investments in energy projects (electricity, liquefied natural gas) through both the public as well as the private sectors. As such, integrated favourable investment policy should be formulated that can attract region’s private investors to invest in energy projects. The SAARC countries’ current dependence on outside sources for their growing energy requirements can be removed by better management efficiency and stronger cooperation amongst
themselves (Nanda 2008). The recently concluded 16th SAARC Summit also focused on issues of energy security and regional energy cooperation, under the sprightly banner of ‘A Green and Happy South Asia.’

Energy Security: Growing Needs of South Asia

Energy security—the ability of a nation to secure sustainable energy supplies to meet its energy needs at reasonable prices—has become a major energy policy imperative. The energy security situation is especially acute for South Asian nations, where energy sectors must typically grow by 2-3 per cent over the GDP growth rate simply to sustain the economy. Each country in the region must therefore address critical energy concerns that will determine not only its national economic expansion plans, but also its ability to bring underserved local populations onto the grid and into the economy. Energy requirements in South Asia are growing in industry, transport, residential, agriculture and other areas (Siddiqi 2007). Higher economic growth and demographic pressures have resulted in phenomenal consumption of commercial energy in South Asia. Although significant progress has been made during the last five decades in increasing energy supply, lack of access to low cost, clean, and reliable sources of energy still remains the daunting challenge to sustain future growth momentum in South Asia. The region is utterly vulnerable owing to inadequate regional energy endowments and overwhelming dependence on imported fossil fuels. Heavy dependence on traditional fuels, such as agricultural and animal residues, and on fossil fuels like coal and oil in the region also points to implicit environmental and health costs. Importantly, from a broader perspective of a deregulated global energy scenario, South Asian energy systems are relatively inefficient. Such outmoded energy supply chain infrastructures and inward looking policies are incapable of absorbing market volatility and also protecting the highly vulnerable section of society from the cataclysmic effects of energy deregulation.

Considering the critical role of energy in modern economies and the pernicious effects of any disruption thereby, it is imperative to ensure energy security for the well being of the people and the economy. In South Asia, the challenge is not only due to the limited reserves of energy resources within the sovereign jurisdiction of nations, but also due to the absence of energy trade and investment in the region which have often resulted in sub-optimal and high cost decision making at the national level. In the present era of regionalism, it has been observed that the rationalisation and harmonisation
of regional economies across the world have started with cooperative ventures involving specific commodity sectors. In this respect, given complementary energy resource endowments, unlocking the vast untapped energy trading potentials through regionally integrated energy cooperation assumes also work significance, as it would not only enhance the region’s perennial energy security but also work as a hook for broad based regional economic integration.

Between 1980 and 1990, energy use or primary energy consumption in South Asia increased by 51 per cent and later went up by 53 per cent, at an annual average growth rate of 4.1 per cent, between 1990 and 2007. Energy use is closely linked with economic growth and other vital developmental parameters. South Asia continues to average among the lowest level of per capita energy consumption in the world, despite the fact that it has the highest levels of energy consumption per unit of GDP. Electricity consumption, by far the most convenient form of energy, has grown significantly over the years. Yet, the per capita electricity consumption in South Asia remains low in comparison with other regions. Electricity is a high quality form of energy and many of the services it provides, such as the use of computers, televisions and instant communications, cannot be provided by any other form of energy. The demand for electricity far exceeds available capacity in many parts of South Asia and is expected to more than double by 2020 as shown in the following table.

One of the advantages of electricity is that essentially any source of energy can be used to generate it. The largest source of electricity is coal, whereas natural gas is the fuel of choice in Bangladesh and Pakistan. Nepal and Bhutan depend mainly on hydro power, whereas Afghanistan, the Maldives and Sri Lanka are primarily using oil products for electricity generation. Nepal and Bhutan have great potential for generating hydro power far beyond their foreseeable domestic demand. Nepal is estimated to have an annual potential above 43,000 MW that can be economically developed, Bhutan has an estimated potential of about 16,000MW. To put these numbers in some perspective, the total generation capacity in Bangladesh was 4,710MW in 2005. Only about one per cent of potential hydro power potential of Nepal and Bhutan has been developed so far. The two countries are in an excellent position to contribute to the energy security of the entire region by developing their hydro power resources for domestic use, as well as for export to India and possibly to Bangladesh and Pakistan. Until 1998, Bhutan was importing electricity from India. Following the completion with India’s help of the Chukha Power Plant, Bhutan now exports electricity to India. This export has become the single largest source of revenue for Bhutan.
The International Finance Cooperation is providing financial assistance to Nepal to build its second private hydro power plant. The electricity is to be used within Nepal. Negotiations between India and Nepal for the sale of electricity from the latter have been going on for a decade, but the two countries have not been able to agree on a mutually beneficial framework.

Energy shortfalls typically in the form of widespread outages of electricity are one of the major problems in South Asia. Electricity transmission and distribution losses as per centage of output are highest in the South Asian region. Also, there is huge economic loss due to poor power quality in some South Asian countries, namely in Nepal and Bangladesh. It is estimated that due to poor power quality, the industrial sector in Nepal lost US$ 24 million consisting of 4.43 per cent of the industrial GDP or 0.74 per cent of the national GDP in the year 2001. Similarly, for Bangladesh the estimated loss suffered by industry is Tk. 47 billion of production loss, Tk. 12 billion of value added loss, Tk. 27 billion of foreign exchange loss, and reduced GDP growth by about half a per centage point (Raina 2005). In addition, since a vast majority of the population, especially in rural areas of the region do not have access to electricity, providing access at affordable cost is a daunting task for all countries of the region.

South Asia’s energy requirements are growing in industry, transport, residential, agriculture, and other areas. Each of the sectors uses a different mix of energy sources and is growing at different rates. The growing industries of the region need more electricity, oil products, and natural gas. The transportation sector will continue to require larger accounts of oil products for at least the next two decades during which time alternative fuels such as natural gas can begin to make inroads. The demand for electricity in the residential sector will continue to grow, along with the demand for cooking and heating fuels in the northern areas of South Asia. In addition, the rural areas now require access to electricity and also to cleaner replacement for the firewood and other biomass fuels that have traditionally been used. These demands can best be met by solar and wind energy and where available by natural gas or liquefied petroleum gas (LPG).

Energy Mix and Consumption Pattern in South Asia

Commercial sources dominate South Asia’s energy consumption pattern. In 2007, South Asia’s total energy consumption was 584.6 mtoe, of which the consumption of commercial energy was 420.2 mtoe, indicating a share of nearly 72 per cent. The remaining share of 28 per cent is accounted by
Oil consumption in industrial and transportation sectors is increasing South Asia’s dependence on imported oil and natural gas. The growing demand for fuels in the industrial and transport sectors in view of industrialisation and newer development projects has increased the demand for commercial fuels significantly in South Asia in recent times. The transportation sector primarily depends on oil products for fuel. The rise of middle income groups and the easy accessibility of car finance in most of the countries in the region have put forth strong pressure for personal transportation and consequent pressure on fuel demand. Although the demand for oil is higher now, South Asia’s oil reserves are limited (Chaudhury 2009). Import of petroleum products to meet the growing demand of energy is going to be on the increase which will put additional pressure on the balance of payment. Such a state of over dependency is likely to affect adversely the energy security of the countries in the region. South Asia is a net importer of oil. In recent years, oil imports have increased due to increasing consumption and declining regional production. Over the period 1990-2007, South Asian oil consumption, led by India, grew by about 111 per cent. In 2007, oil consumption in South Asia—around 4.3 million barrels per day (mb/d) against regional production of merely 0.98 mb/d, making the region a net importer of around 3.3 mb/d. The major factor behind the growth of oil consumption is the growing demand for transportation fuel and fuel for generating electricity for industrial purpose. Consumption of natural gas in South Asia has increased considerably in recent years by almost 195 per cent between 1990 and 2007. In 2007, South Asia produced 7.8 bcf (billion cubic feet) of natural gas and consumed 8.7 bcf. The largest regional producer and consumer is India, which also has started importing liquefied natural gas (LNG) from Qatar since 2002.
In 2006, the total installed power generation capacity in South Asia was about 728 billion kilowatt hours (bKwh), dominated by India (85 per cent share). With 12 per cent share in total installed power generation capacity in South Asia, Pakistan comes next. The rest of the South Asian countries have a negligible share. Conventional thermal power plants contribute almost 81 per cent of the total generation capacity of the region, whereas the rest is shared by hydroelectric plants (16 per cent), nuclear plants (2 per cent), and renewable-based plants (1 per cent). A major component of power generation in South Asia is thermal power plants, mainly because of heavy dependence on coal-based generation by India. Bangladesh and Pakistan also have major generation coming from thermal power plants. In case of Nepal, Bhutan and Sri Lanka, the generation-mix is dominated by hydropower. Out of the above installed power generation capacity renewable energy constitutes only about 1 per cent of the installed capacity today. It can also be added that only India and Pakistan have power generation from diverse sources.

South Asia is also a region with the highest growth rates in the consumption of commercial energy. Biomass in the form of fuel wood, agricultural waste, and animal waste remains as a primary fuel for the majority of poor people in region, although the spread of electricity and the penetration of fuel products for lighting and cooking, has led to a gradual reduction in the share of biomass in most of these countries. Much of the imported oil products are used as fuel for the transportation sector as well as to meet some urban cooking needs.

**Regional Energy Trade and Cooperation in South Asia**

There are substantial gains from the potential regional energy trade in South Asia. All countries of the South Asian region have an inadequate supply, current or potential, of some energy form or other, while some of the countries have certain forms of energy far in excess of their demand in the foreseeable future. The countries are eager to have common or collaborative plans to meet the shortages and also to deal with the surplus energy. The energy security plans of these countries indicate that all the countries are eager to develop and increase the energy trade within the region. The policy makers and strategic planners in South Asia have well acknowledged the vast energy potential of the South Asian region. Afghanistan and Nepal are sitting on water resources that could potentially generate some 24,000 megawatts of electricity from Afghanistan and an estimated 83,000 megawatts from Nepal. These countries together account for 40 per cent of South Asia’s
presently installed capacity. Bangladesh, India, and Pakistan are all power-deficit countries, especially India. The growing electricity constraint is threatening the ability to sustain rapid growth. Yet, less than 1 per cent of the region’s electricity-generating potential has been used so far. The reason for this energy constraint is the lack of cooperation and absence of energy trade among South Asian countries. Indeed, if one were to imagine South Asia without borders, perhaps the highest priority investment would have gone to develop the hydropower resources. While all countries would benefit from the development of South Asia’s hydropower resources, Afghanistan and Nepal, the two poorest South Asian countries, would benefit most.

After decades of insignificant cross-country electricity trade and the absence of any trade in natural gas through pipelines, regional political leaders and business people recently have evinced a great deal of interest and enthusiasm in cross-border electricity and gas trade, not only within South Asia but also with its neighbours in the West (Central Asia and Iran) and in the East (Myanmar) (Nanda 2008). South Asia has two regional energy clusters. The eastern market includes India, Bangladesh, Bhutan, Nepal, and Sri Lanka, extending to Myanmar; the western market includes Afghanistan, India, and Pakistan, extending to Central Asia and Iran. India bridges these two clusters. Some activities are under way, including a successful hydropower trade between Bhutan and India in the eastern market and an ongoing project in the western market that will bring electricity from Tajikistan and Kyrgyzstan to Afghanistan and Pakistan. The current regional security environment is not favourable to exploit the full potential of the region. It will mainly rely on the will of the policymakers and administrators to take concrete and decisive actions in the energy front. It is argued that the governments of the region need to continue reducing political and security tensions; consider energy trade as an enhancement of energy security and political and economic cooperation; continue energy sector reforms; improve commercial performance of the utilities; improve the credibility, competence, and accountability of regulation; adopt sustainable (cost-reflective) tariffs and a social protection framework; promote commercial approach to energy trade; encourage private sector participation in the form of public–private partnership (PPP) structures in cross-border investments; help the transit countries (especially Afghanistan) integrate; reach water-sharing agreements; seek accession to international agreements (such as the Energy Charter Treaty); strengthen regional institutions at both political and technical levels; and identify priority trade-oriented investment projects and pursue their implementation. The success of the India–Bhutan electricity
trade should offer useful lessons to other countries in the region. Restrictions in transport border crossings are a major constraint to global and intraregional trade in South Asia. Removing these restrictions would boost trade within South Asia as well as lower costs for international trade in general, as many landlocked countries and regions would benefit from access to the closest ports. Currently, efforts to improve trade facilitation and transport networks are being pursued in a fragmented manner, and where cross-border issues are involved, little cooperation exists. Establishing corridor-based approaches for improving trade, such as a transport arrangement for intraregional trade, would be essential to improve the efficiency of regional transport and to reduce trade costs.

Some of the larger countries are also proposing joint action to explore and procure energy resources, especially hydrocarbon resources, from areas outside the region. There is also the possibility of jointly procuring some fuels, which could result in economies of scale in transaction and transportation costs (Chaudhury 2009). In this respect, given complementary energy resource endowments, unlocking the vast untapped energy trading potentials through regionally integrated energy cooperation assumes significance, as it would not only enhance the regions’ perennial energy security but also work as a hook for broad based regional economic integration (RIS 2008). Regional trade in energy is practically non-existent in South Asia, with the exception of small pockets of bilateral power exchanges between Nepal, Bhutan, and India. Longstanding disputes, political exigencies, and mistrust between the countries of the region have effectively blocked even modest efforts to encourage regional energy trade. In view of the ever increasing global demand for energy and steep rise in price, the South Asian countries are finding it difficult to adequately meet the demand of an expanding economy on one hand and the rising aspirations of its people on the other. To enhance energy security and to achieve sustained economic growth in South Asia it will be essential to maintain energy supply in an efficient and reliable manner. This calls for a long term vision to develop an integrated energy market in the region (Sami 2008).

With the geography of energy supply options not confined to political boundaries, South Asian countries would need to depend upon each other for the cheapest and cleanest energy sources. Cross-border energy supply would not only provide diversified energy supply, which is a key component of energy security, but also foster regional cooperation. Therefore the importance of regional integrated energy cooperation is vital to South Asia’s development and prosperity. A common regional energy market would provide, among others, (i) tremendous scope for
regional economic development through increasing access to reliable and affordable energy sources, (ii) enormous financial gains through freer energy trade, (iii) mainstreaming energy trade as a fundamental aspect of regional resource management to foster broader regional integration, (iv) more attractive markets for private investment, (v) better use of global investment flows and technology transfers, (vi) easier integration with global markets and (vii) reduced cost of supply for all participants. The South Asian countries have huge potential for energy trade by developing integrated energy infrastructures such as power grids and pipelines. The general consensus is that deeper regional energy cooperation would mitigate the localized shortfalls in energy production through regional transfers of bulk energy from areas of surplus or potential surplus to the deficit regions in South Asia (RIS 122 2008). The two generally accepted power trading mechanisms are: bilateral power trade and pool based power trade. Cross border power trade on a bilateral basis already takes place widely between India and Bhutan and to a certain extent between India and Nepal. Currently the power trading is in its infancy in South Asia. Whatever trade takes place as of today are basically bilateral exchanges or apportioning of power from surplus areas to temporarily needy regions. In most cases, the tariff has been fixed mostly on the basis of negotiations and to a large extent determined by political consideration, diplomatic goodwill and convenience. Such an adhoc arrangement based on negotiations and goodwill could work in the past mainly because the quantum of power purchase was limited. However, in years to come the size of power purchase would be substantial. Power trading will be on bulk supply and have to have a more detailed framework of contracts and operating procedures. The proposed Iran-Pakistan-India pipeline, Turkmenistan-Afghanistan-Pakistan-India pipeline, Oman-India subsea pipeline, and the Myanmar-Bangladesh-India pipeline projects offer promises for energy security; however, each has been plagued with political, economic, or security obstacles that have prevented tangible progress.

In South Asia, stark institutional barriers hinder regional cooperation in energy. Besides the SAARC, there is no institutional and legal framework for the promotion of regional energy trade. Though SAARC has one of its objectives of strengthening and expanding electricity grid in the region, no progress has been made so far in inter-regional power trade. At the moment there is no institution outside of SAARC framework to play the coordination and energy trade enhancement role. Although there is huge need and possibility of regional trade in energy, the existing regulatory and pricing
policies do not address the eventuality of regional trade. Regulatory barriers and distorted energy pricing and subsidy regimes in countries of the region preclude trading of energy at commercial terms, as these entities, which are selling energy at subsidised rates, will have to bear the energy at cost, with the consequence of being impacted negatively on the financial health of the purchasing entity.

**Conclusion**

Energy security has moved into the forefront of the development discourse in South Asia due to the impressive growth performance as well as the continued socio-economic backwardness of the region. In South Asia, poverty alleviation is an issue of high economic development priority. The supply of reliable, sustainable energy, particularly electricity to the rural poor households is critical to addressing this issue. With less than 25 per cent of the population having access to electricity in rural South Asia, the task ahead is gigantic. Rising economies and burgeoning populations have put South Asia’s energy security in a perilous state. Already energy and power shortages are stunting development in some of the region’s least developed locations spurring political insurgences and social dislocation. South Asia is projected to play a major role in global energy markets over the next several decades, with India alone expected to become the world’s third largest importer of petroleum by 2030. Satisfying the region’s growing demands will require a heightened degree of energy interdependence among historically antagonistic states. Consequently, like it or not, regional leaders will face a tradeoff between traditional desires for energy self-sufficiency and the ambitious development targets that they have set for themselves. Achieving such growth, therefore, requires that India, Pakistan, and the other countries of South Asia first address the persistent international disputes that hamper cross-border energy trade, establish effective control over presently ungoverned areas, reorient the missions of military forces to some extent, and develop a better understanding of the effects that energy interdependence will have on broader relations with neighbours. With the precarious energy situation in the region
and unprecedented increases in international oil prices in recent times, it is high time for policy makers, financing institutions, NGOs and the civil society to push for a greater integration of the energy sector. To pursue energy security, the countries of the region need to ensure that energy supplies are available, sufficient, affordable and sustainable. This will mean taking a broad range of measures: conserving and raising energy efficiency; rationalising pricing and taxation systems; improving energy sector governance; and diversifying energy supplies, in particular making greater use of alternative and renewable resources. The huge rural population and the economies of South Asia constitute two main challenges facing access to electricity in rural areas. Successful models of rural energy practices are available, which can be considered for replication in other countries of the region. Regional cooperation can be an ideal framework for such cooperation. Greater cooperation within South Asia and with adjoining regions would be one of the most effective ways to deal with the regional energy deficit.

Notes
1 The term energy ‘access’ generally means access to clean, affordable and reliable energy services, covering both urban and rural areas, and all forms of energy including traditional sources (Ailawadi and Bhattacharyya 2006).
2 Declarations of the Sixteenth SAARC Summit, Thimphu, 28-29 April 2010.
3 Energy use refers to use of primary energy before transformation to other end-use fuels, which is equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transport.
4 GDP per unit of energy use is the ppp GDP per kilogram of oil equivalent of energy use. GDP (ppp) is gross domestic product converted to 2000 constant international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as a US dollar has in the United States.
7 Electric power transmission and distribution losses include losses in transmission between sources of supply and points of distribution and in the distribution to consumers including pilferage.

References
Ahmed, Sadiq, and Ejaz Ghani (2007): South Asia: Growth and Regional Integration, New
Delhi: Macmillan.
Yoshida, Nobou (2008): “A Note on the Trend of Regional Inequality across Areas in the South Asia Region.”
Interrogating Security: The Hindu Right and The Nuclear Question

P. M. JOSHY and K. M. SEETHI

The concept of security today encompasses a wide array of subjects and discourses of power. It is generally understood within a broad framework of relations of power across national, regional and international settings. The term security is also applied in a variety of contexts having several meanings and interpretations. Yet, the traditional scholarship of security studies still finds it difficult to grapple with and explain the bewildering turn of events in the domestic and international life, at least since the 1980s. This underlines the limitations of the conventional, state-centric and military-oriented articulation of power and security, which dominated international relations for more than a century. This paper tries to interrogate the critical realm of security in the context of the Hindu Right engagement of the nuclear question in India.

Identity and Security

Though security is a core concept in the theory and praxis of national, regional and international politics, it is also viewed in the context of local, inter-local and trans-local relations. In the positivist paradigm, security is assumed to possess an ontological and epistemological certainty where the sources of insecurity as well as the referent of security are givens. Conventional International Relations (IR) therefore focused on a state-centric, power-oriented, and militaristic discourse of security and it reads narrowly into the role of ideology as manifested in the concepts of state, national interest and nationalism. It hardly pays any attention to the ways in which anarchy/insecurity is constructed or how the role of ideology, culture, history, or state practices themselves may produce anarchy in IR (Das 2002: 76-89).

The Critical Constructivists, however, problematised the conventional assumption that IR is in a state of perpetual anarchy. Instead, they view security as what David Campbell calls “representations of danger” (Campbell 1998: 1-13). For the Critical Constructivists, objects of insecurity are not ontologically separate things. Rather, they are mutually constituted in a variety of ways that may privilege a certain conception of identity over others. Operating within a framework of meanings, assumptions and distinctive social identities, the representation of the ‘Other,’ their identities and what constitutes insecurity
‘imaginaries’ are left open to the dynamics of interpretation, whereby relations of identity may also be produced, enforced, and reified in a conflictual manner (Muppidi 1999: 124). Further, construction of identities influencing security dynamics may not simply be confined to rigid interstate dynamics, but may also be mediated by “complex network of social relations, cultural traditions, and political structures...” involving state security elites themselves (Niva 1999: 152). Thus, Critical Constructivists assume that all social (in)securities are culturally produced (Weldes 1999: 1). Central to the concept of postcolonial insecurity is what Sankaran Krishna calls ‘postcolonial anxiety,’ defined as an ideological drive of postcolonial state leaders to achieve successfully the “modern enterprise of nation-building” (Krishna 1999: xvii-xix). Also central to the metaphor of creating a nation as something “ever in the making but never quite reached is the idea of nationalism (Das 2002).

Thus, in the new literature of IR (Campbell 1998; Krause and Williams 1997; Lipschutz 1995; Weldes et al. 1999), security is conceptualised as a productive discourse that brings forth insecurities to be operated upon. It also defines the identity of the object to be secured. This contests the dominant conceptual paradigm of security that sees insecurities as essential variables, while focusing attention on the acquisition of security by given entities. It underlines the processes through which something or someone (the ‘Other’) is discursively formed as a source of insecurity against which the ‘Self’ needs to be secured (Anand 2005: 203-215). Thus, discourses of insecurity are about ‘representations of danger’ (Campbell 1998; Dillon 1996). Insecurities are inevitably ‘social constructions’ rather than given—threats do not just exist out there, but have to be produced. All insecurities are thus culturally shaped in the sense that they are produced in and out of “the context within which people give meanings to their actions and experiences and make sense of their lives” (Weldes 1999:1). Insecurities and the objects that suffer from insecurities are mutually constituted. That is, in contrast to the received view, which treats objects of security and insecurity themselves as pre-given and natural and as separate things, we treat them as mutually constituted cultural and social constructions and thus products of processes of identity construction of Self–Other. The argument that security is about representations of danger and social construction of the ‘Self’ and the ‘Other’ does not imply that there are no ‘real’ effects. What it means is that there is nothing inherent in any act or being or object that makes it a source of insecurity and danger (Anand 2005: 203-215).

Dibyesh Anand argues that security is linked closely with identity politics. How we define ourselves depends on how we represent others. This representation is thus integrally linked with how we ‘secure’ ourselves against the ‘Other.’ Representations of the ‘Other’ as a source of danger to the security...
of the ‘Self’ in conventional understandings of security are accompanied by an abstraction, dehumanisation, depersonalisation and stereotyping of the ‘Other.’ The ‘Other’ gets reduced to being a danger and hence an object that is fit for surveillance, control, policing and possibly extermination. This logic of the discourse of security dictates that the security of the ‘Self’ facilitates and even demands the use of policing and violence against the ‘Other.’ This is demonstrated through the case of the Hindu Right’s politics of representation, which legitimises anti-Muslim violence as well as the hate campaign against Pakistan in the name of securing the Hindu ‘Self’ at various levels. The identity of Muslims is also increasingly deployed as part of the ‘project’ of Pakistan. The ‘Muslim’ as such is a threat not only to the Hindutva but also to the international security. These representations of ‘danger’ to the security of the Hindu body politic facilitated the ‘politics of hate’ in India. This is done through the realm of civil society in an aggressive manner using wide network of social organisations as well as the media.

According to Anand, ‘Muslim’ as an object of insecurity in the discourse of the Hindu Right organisations inhabits the levels of the personal, local, national and international. Here the ‘Muslim’ is discursively constructed as a site of fear, fantasy, distrust, anger, envy and hatred, thus generating desires of emulation, abjection and/or extermination. His argument is that these desires are not confined to the subscribers to Hindutva but are prevalent in the wider society among those describing

<table>
<thead>
<tr>
<th>Year</th>
<th>Export (US $ million)</th>
<th>Import (US $ million)</th>
<th>Trade Balance (US $ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-99</td>
<td>437.03</td>
<td>37.67</td>
<td>399.36</td>
</tr>
<tr>
<td>1999-00</td>
<td>499.78</td>
<td>44.29</td>
<td>455.49</td>
</tr>
<tr>
<td>2000-01</td>
<td>630.48</td>
<td>44.84</td>
<td>585.64</td>
</tr>
<tr>
<td>2001-02</td>
<td>633.04</td>
<td>67.61</td>
<td>565.43</td>
</tr>
<tr>
<td>2002-03</td>
<td>923.37</td>
<td>91.06</td>
<td>832.31</td>
</tr>
<tr>
<td>2003-04</td>
<td>1323.88</td>
<td>194.97</td>
<td>1128.91</td>
</tr>
<tr>
<td>2004-05</td>
<td>1356.51</td>
<td>365.00</td>
<td>1721.51</td>
</tr>
<tr>
<td>2005-06</td>
<td>2024.41</td>
<td>577.63</td>
<td>1446.78</td>
</tr>
<tr>
<td>2006-07</td>
<td>2253.82</td>
<td>469.98</td>
<td>1783.84</td>
</tr>
<tr>
<td>2007-08</td>
<td>2719.46</td>
<td>630.84</td>
<td>2088.62</td>
</tr>
</tbody>
</table>

Source: Centre for Monitoring Indian Economy, *Foreign Trade* various issues.
Table 2: India’s Major Export Items to Sri Lanka (Min.US Dollar)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Equipment</td>
<td>49.69</td>
<td>105.18</td>
<td>150.52</td>
<td>232.83</td>
<td>319.15</td>
<td>361.03</td>
<td>373.23</td>
</tr>
<tr>
<td>Cotton Yarn fab. Madeups etc.</td>
<td>70.33</td>
<td>79.19</td>
<td>84.75</td>
<td>87.06</td>
<td>107.47</td>
<td>128.15</td>
<td>149.75</td>
</tr>
<tr>
<td>Sugar</td>
<td>62.91</td>
<td>74.82</td>
<td>54.32</td>
<td>10.73</td>
<td>22.88</td>
<td>75.02</td>
<td>137.78</td>
</tr>
<tr>
<td>Prim. &amp; semi-fin. Iron &amp; steel</td>
<td>28.05</td>
<td>35.58</td>
<td>76.13</td>
<td>40.19</td>
<td>108.95</td>
<td>107.12</td>
<td>126.18</td>
</tr>
<tr>
<td>Machinery &amp; instruments</td>
<td>41.47</td>
<td>53.57</td>
<td>52.89</td>
<td>72.27</td>
<td>85.35</td>
<td>91.71</td>
<td>90.52</td>
</tr>
<tr>
<td>Drugs, pharm. &amp; fine chemicals</td>
<td>32.11</td>
<td>46.85</td>
<td>51.03</td>
<td>61.48</td>
<td>69.39</td>
<td>89.39</td>
<td>78.64</td>
</tr>
<tr>
<td>Manmade yarn fab. Madeups</td>
<td>24.48</td>
<td>34.03</td>
<td>51.97</td>
<td>50.23</td>
<td>63.53</td>
<td>59.32</td>
<td>68.93</td>
</tr>
<tr>
<td>Paper/wood products</td>
<td>29.12</td>
<td>35.07</td>
<td>39.53</td>
<td>43.98</td>
<td>63.07</td>
<td>64.60</td>
<td>66.70</td>
</tr>
<tr>
<td>Non-ferrous metals</td>
<td>1.54</td>
<td>8.35</td>
<td>19.99</td>
<td>24.46</td>
<td>44.92</td>
<td>50.34</td>
<td>61.57</td>
</tr>
<tr>
<td>Plastic &amp; linoleum products</td>
<td>20.71</td>
<td>22.72</td>
<td>32.99</td>
<td>42.44</td>
<td>51.14</td>
<td>55.95</td>
<td>51.14</td>
</tr>
<tr>
<td>Oil meals</td>
<td>12.44</td>
<td>13.12</td>
<td>27.19</td>
<td>23.15</td>
<td>22.48</td>
<td>26.21</td>
<td>45.78</td>
</tr>
</tbody>
</table>


themselves as Hindu. The Hindu Right assertion is not an inevitable result of these prejudicial desires but scavenges upon them and, in turn, fuels and fossilises them. The desire of emulation, abjection, and extermination is inextricably linked to certain threatening representations of ‘the Muslim’ as well as of Pakistan (Anand 2005: 203-215). Anand points out that Hindutva’s ‘politics of representation’ is one replete with myths and stereotypes. For instance, he shows how Hindutva discourses “construct a myth of the Hindu self as virtuous, civilized, peaceful, accommodating, enlightened, clean and tolerant, as opposed to the Muslim ‘Other’ which is morally corrupt, barbaric, violent, rigid, backward, dirty and fanatic. The myth borrows from various stereotypes and motifs that are prevalent in India and elsewhere, including the West” (Ibid.: Das 2002). Thus, the articulation, representation and mobilisation of ‘threat’ and ‘security’ are carried out across the wide realm of civil society and, in most cases, the state reinforces such perceptions of ‘threat’ and ‘security’ through the media and other agencies in the civil society.

**Hindu Right, Security and the Bomb**

The Hindu Right in India began to hold sway since the 1980s by deploying a series of issues, and the common denominating factor is the critical notion
of ‘security’ which the Sangh Parivar (RSS, Vishwa Hindu Parishad, BJP etc) had been perpetuating for crystallising the Hindu ‘Self’ by distancing it from an imagined threat of the ‘Other’- the Muslim. The Pokhran-II explosions and the nuclear imbroglio created by the BJP-led National Democratic Alliance (NDA) government on 11 and 13 May 1998 spawned a series of debates on security in various theoretical and ideological persuasions. However, the official line of explanation anchored in a hyper-realist perspective emphasised the prevailing threats from the neighbouring countries of Pakistan and China. Jaswant Singh, who served as foreign minister of the Vajpayee government, in an article viewed it as ‘inevitable,’ and also a “continuation of policies from almost the earliest years of independence.” Clinging on the realist ground, he said: “The nuclear weapon is the objective reality of the world, a key indicator of state power.” The successive Indian governments were “more moralistic than realistic on the nuclear disarmament.” He reiterated: “India is sandwiched between two nuclear weapon powers, China and Pakistan” and “India was excluded from a global nuclear security paradigm,” and also the “trends towards disequilibrium in Asian balance of power,” prompted India to go for nuclear option (Singh 1998:41-52). However, the nuclear adventure of the NDA government cannot be explained simply with the realist theoretical tools. It should be noted that the BJP is not an independent political entity. It

Table 3: India’s Major Import Items from Sri Lanka (Min.US Dollar)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-ferrous metals</td>
<td>0.17</td>
<td>5.32</td>
<td>18.05</td>
<td>82.27</td>
<td>132.32</td>
<td>172.41</td>
<td>73.91</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>0.04</td>
<td>0.05</td>
<td>0.52</td>
<td>11.68</td>
<td>26.00</td>
<td>23.42</td>
<td>41.84</td>
</tr>
<tr>
<td>Manufactures of metals</td>
<td>0.37</td>
<td>0.33</td>
<td>0.63</td>
<td>1.12</td>
<td>15.59</td>
<td>24.36</td>
<td>39.44</td>
</tr>
<tr>
<td>Spices</td>
<td>10.58</td>
<td>26.08</td>
<td>29.60</td>
<td>15.71</td>
<td>34.44</td>
<td>33.57</td>
<td>28.45</td>
</tr>
<tr>
<td>Non metallic mineral mnfs.</td>
<td>0.36</td>
<td>1.62</td>
<td>1.18</td>
<td>8.38</td>
<td>15.00</td>
<td>14.89</td>
<td>24.87</td>
</tr>
<tr>
<td>Natural rubber</td>
<td>0.30</td>
<td>0.47</td>
<td>0.37</td>
<td>0.44</td>
<td>3.25</td>
<td>2.74</td>
<td>15.59</td>
</tr>
<tr>
<td>Paper board &amp; manufactures</td>
<td>1.75</td>
<td>1.44</td>
<td>3.07</td>
<td>4.14</td>
<td>10.25</td>
<td>16.06</td>
<td>14.98</td>
</tr>
<tr>
<td>Pulp &amp; waste paper</td>
<td>2.38</td>
<td>3.00</td>
<td>1.82</td>
<td>4.35</td>
<td>8.80</td>
<td>9.79</td>
<td>11.60</td>
</tr>
<tr>
<td>Metaliferrous ores &amp; metal scrap</td>
<td>7.33</td>
<td>4.86</td>
<td>7.65</td>
<td>10.02</td>
<td>20.40</td>
<td>12.91</td>
<td>11.60</td>
</tr>
<tr>
<td>Non-electrical machinery</td>
<td>1.71</td>
<td>1.01</td>
<td>0.63</td>
<td>1.37</td>
<td>23.50</td>
<td>4.5</td>
<td>11.39</td>
</tr>
</tbody>
</table>

Source: CMIE, Foreign Trade, August 2007.
Table 4: Major Export commodities of Sri Lanka (Rs. Million)

<table>
<thead>
<tr>
<th>Category</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea</td>
<td>43,728</td>
<td>53,133</td>
<td>61,602</td>
<td>63,105</td>
<td>65,936</td>
<td>74,897</td>
<td>81,482</td>
<td>91,667</td>
<td>1,13,565</td>
<td>1,37,600</td>
</tr>
<tr>
<td>Rubber</td>
<td>2,305</td>
<td>2,179</td>
<td>2,129</td>
<td>2,552</td>
<td>3,717</td>
<td>5,155</td>
<td>4,724</td>
<td>9,674</td>
<td>12,089</td>
<td>13,538</td>
</tr>
<tr>
<td>Coconut products</td>
<td>9,119</td>
<td>9,174</td>
<td>7,348</td>
<td>8,009</td>
<td>8,926</td>
<td>11,453</td>
<td>11,400</td>
<td>12,898</td>
<td>15,636</td>
<td>18,532</td>
</tr>
<tr>
<td>Other Agri. Products</td>
<td>11,598</td>
<td>11,784</td>
<td>12,174</td>
<td>16,016</td>
<td>14,490</td>
<td>16,446</td>
<td>18,439</td>
<td>20,242</td>
<td>25,665</td>
<td>31,069</td>
</tr>
<tr>
<td>Garments</td>
<td>1,55,214</td>
<td>2,06,360</td>
<td>2,08,624</td>
<td>2,14,895</td>
<td>2,31,652</td>
<td>2,68,573</td>
<td>2,76,144</td>
<td>3,03,263</td>
<td>3,47,670</td>
<td>3,55,995</td>
</tr>
<tr>
<td>Yarn &amp;other textile items</td>
<td>15,853</td>
<td>20,569</td>
<td>18,736</td>
<td>17,132</td>
<td>16,922</td>
<td>16,599</td>
<td>14,944</td>
<td>17,566</td>
<td>21,793</td>
<td>20,030</td>
</tr>
<tr>
<td>Petroleum products</td>
<td>5,210</td>
<td>7,414</td>
<td>6,053</td>
<td>7,003</td>
<td>6,300</td>
<td>10,133</td>
<td>13,169</td>
<td>19,580</td>
<td>18,693</td>
<td>27,542</td>
</tr>
<tr>
<td>Diamonds</td>
<td>11,343</td>
<td>13,577</td>
<td>14,836</td>
<td>18,335</td>
<td>20,874</td>
<td>24,950</td>
<td>26,593</td>
<td>32,440</td>
<td>38,588</td>
<td>45,354</td>
</tr>
<tr>
<td>Gems</td>
<td>4,326</td>
<td>7,091</td>
<td>7,276</td>
<td>8,173</td>
<td>7,601</td>
<td>10,939</td>
<td>12,086</td>
<td>10,714</td>
<td>11,665</td>
<td>10,909</td>
</tr>
<tr>
<td>Total Exports</td>
<td>3,25,171</td>
<td>4,20,114</td>
<td>4,30,372</td>
<td>4,49,850</td>
<td>4,95,426</td>
<td>5,83,967</td>
<td>6,38,276</td>
<td>7,16,579</td>
<td>8,45,683</td>
<td>8,81,321</td>
</tr>
</tbody>
</table>

Source: Central Bank of Sri Lanka, * Provisional
is the political organ of the Sangh Parivar. By pursuing ‘Hindutva’ as its ideology, the Sangh had been sustaining a different version of security discourse which polarised the society along the line of purity/pollution, insiders/outiders and civilised/uncivilised. The Hindutva has been caricaturing the Muslim as the ‘Other’ of the Hindu ‘Self,’ and other minorities and the communists as belonging to the ‘enemy’ category. It is against this background that the ‘security programme’ of the NDA government should be analysed. Here the state produced ‘insecurity complex’ at various levels and it was through the realm of civil society that the Sangh reproduced it in umpteen ways.

Jaswant Singh justified the Pokhran-II nuclear explosions saying that it was not only ‘inevitable’ but the continuation of the earlier policies. This certainly might be contestable. Since independence, the overall policy of the successive governments in India shows New Delhi’s moral commitment to nuclear disarmament and the peaceful uses of nuclear energy. Nehru wrote: “it is difficult for a line to be drawn between scientific work for peace and for war” but “we shall develop it in co-operation with the rest of the world and for peaceful purposes” (Nehru 1983: 370-75). However, the nuclear policy of the NDA government was a clear departure from the policy path of the earlier governments. The Pokhran-II was an untimely venture and generated an insecurity complex in the South Asian region.

Seeing Pakistan and China in a threat perception has been rooted in the ideology of the Hindu Right, the Hindutva. It is more related to the identity politics than the ‘balance of power’ version of explanation. However, a militarised ‘nuclear India’ was not a new idea to the Hindu Right. Contrary to the Nehruvian idealism on matters of national security, the Jana Sangh, the forerunner of the present BJP, stood on the RSS position: “militarise the nation.” Way back in 1958, at its Bangalore session, the ‘Pratinidhi Sabha’ of

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea</td>
<td>68373</td>
<td>61955</td>
<td>69132</td>
<td>66090</td>
<td>55348</td>
<td>55887</td>
</tr>
<tr>
<td>Coffee</td>
<td>61150</td>
<td>60470</td>
<td>70550</td>
<td>66690</td>
<td>63322</td>
<td>63850</td>
</tr>
<tr>
<td>Rubber</td>
<td>559099</td>
<td>572820</td>
<td>579866</td>
<td>580350</td>
<td>594917</td>
<td>655750</td>
</tr>
<tr>
<td>Cardamom</td>
<td>4990</td>
<td>6585</td>
<td>7580</td>
<td>8380</td>
<td>8680</td>
<td>8709</td>
</tr>
</tbody>
</table>

the Jana Sangh had adopted its manifesto and programme, in which it stated clearly on matters of national security: (a) compulsory military training to all young men; (b), nationalisation of all the wings of the armed forces in their inspiration as well as form; (c), immediate establishment of defence industries; and (d) organisation of vast territorial army (BJS 1961). In its Vijayawada session the party emphasised the importance of manufacturing nuclear weapons (BJS 1965). Indeed, the Sangh Parivar, through a number of organisational networks in the civil society has been sustaining the enemy image and it produced/reproduced an ‘insecurity’ frame by characterising the Muslims as well as Pakistan as antagonistic to the proposed ‘Hindurashtra.’ Thus, in order to handle the ‘Other,’ the Sangh Parivar strongly supported militarisation and nuclear build up. It is so evident in the writings of the ideologues of Hindutva as well as the resolutions passed by various Parivar organisations (Savarkar 1993, 1967; Golwalkar 2000; BJS 1961, 1965).

The decades of 1980s and 1990s were marked by the growing fear generated by the Hindu Right that the minority Muslim population was increasing its presence in India, challenging Indian sovereignty and rule of law, and controlling the politics of the country. The ‘insecurity’ of the Hindus was blown out of proportion, and the BJP, RSS, VHP and other Hindu Right organisations had worked hard within the civil society in the task of securitisation of the Hindu identity. Thus, BJP’s emergence as the most dominant Hindu Right force in India in the 1980s was the culmination of a sustained effort on the part of its predecessor, Jan Sangh and other Sangh organisations (like the VHP and the RSS) to bring Hindutva into the mainstream politics. According to Nadadur, the BJP and other Hindu Right organisations played on “the fears of the Hindu majority” that the “Muslim population posed a threat to Hindus in India.” This was based on the growth of Islamic fundamentalism and the changing voting patterns of the Muslim population (Nadadur 2006). The Hindu Right organisations and their leaders persistently talked about the ‘threats’ to the Hindus. A study circulated by the RSS in the aftermath of the 1991 Census read: “the fact remained as prominent as ever that the rate of population growth of Muslims is much higher than that of the Hindus, particularly in some areas where the majority is on the verge of being reduced into minority” (BJP 2006; Nadadur 2006). In a concerted effort through a number of organisations working in the civil society, the Sangh Parivar generated an “imagined insecurity syndrome,” and coincidently it sought ‘security’ from the projected ‘threats.’ In this scenario, the Hindu Right highlighted the idea of ‘Hindu Rashtra’ where the identity of the Hindus could be secured. Here the nuclear bomb was portrayed
as the symbol of security, which meant the security from the Communist China and Islamic Pakistan.

Security is thus inextricably interlinked with identity politics. How the Hindu Right defined itself depended on how it represented ‘Others.’ This representation was integrally linked with how the Hindu Right sought to ‘secure’ itself against the ‘Other.’ This can be exemplified in the case of Hindutva’s politics of representation, which legitimised anti-Muslim/anti-Pakistan stance in the name of ‘securing’ the Hindu body politic at various levels. These representations of ‘the Muslim’ as a danger to the ‘security’ of the Hindu body politic facilitated the politics of hate against the Muslims in India (and inevitably against Pakistan too). While the Gujarat carnage (2002) is an example of this campaign of Hindutva in the realm of domestic politics, Pokhran-II (1998) and Kargil War (1999) represented two other major instances in the realm of national security/defence whereby representations did matter for legitimising the logic of cultural nationalism. Pratap Bhanu Mehta writes: the BJP-led government’s “aggressive foreign policy postures,” “confrontational line in its approach to the Pakistan,” “nuclear tests,” “coercive diplomacy” were signalled the inception of a ‘militaristic’ state (Mehta 2003; Ali 2001).

The nuclear weapons tests were welcomed with euphoria by the Hindu Right organisations for having displayed ‘Indian power’ and assured its status in the world. The VHP projected the nuclear weapons as a “symbol of militarised Hindu revivalism” and celebrated the blasts with the cry of “Jai Shri Ram” (Manchanda 2008: 366). The BJP’s nationalist agenda constructed an ‘internal’ Othering vis-a-vis Islam/Pakistan, thereby justifying India’s nuclearisation policies (Das 2002:76-89; Joshy 2010). The BJP’s project of gaining for India ‘global recognition’ and a rightful place among the leading powers called for substituting the Gandhi-Nehru traditions with “images of Hindu masculinity and martial-endowments.” For K.N. Govindacharya, the ideologue of BJP, forging a Hindu India “embracing Kshatriya/Shakti (warrior) tradition of revolutionaries instead of the timorous Brahminical Bhakti (devotional) tradition” was the main psychological makeover for BJP foreign policy (Chaulia 2002). ‘Operation Shakti’ (Pokhran-II) was regarded within BJP ranks as their moment in history. “Synthesising the tenets of political realism and the moral mission of the party” the BJP marked the anniversary of the explosions as “resurgent India day.” The BJP’s historical connection between the bomb and national vitality is well known (Ghosh 1999). The party (as well as its predecessor Jana Sangh) and the other Sangh Parivar organisations never tried to conceal their nuclear posture (Seethi 2005). In the 1998 General Elections, the BJP campaigned with an ideology of Hindutva that envisaged a ‘great’ India as a militarily powerful India. Its election manifesto stated that the “frenetic pace of military expansion and modernization by some of our neighbours” had not been addressed by previous administrations: “Since 1991, the country’s defence budget has been declining in real terms....from 3.4 per cent of the GDP in 1989-90 to a mere
About the Authors


JAMES PETRAS is a Bartle Professor (Emeritus) of Sociology at Binghamton University, New York. He is the author of more than 62 books published in 29 languages, and over 600 articles in professional journals. He has published over 2000 articles in nonprofessional journals such as the *New York Times*, *the Guardian*, *the Nation*, *Christian Science Monitor*, *Foreign Policy*, *New Left Review*, *Partisan Review*, *TempsModerne*, *Le Monde Diplomatique*, and his commentary is widely carried on the internet.

MICHAEL KREPON is co-founder of the Stimson Centre and the author of *Better Safe than Sorry: The Ironies of Living with the Bomb* (Stanford University Press 2009).

K.R. SINGH, Visiting Professor, K.P.S. Menon Chair for Diplomatic Studies, is an International Relations scholar and former Professor, West Asian Studies and Director, National Security Programme, School of International Studies, Jawaharlal Nehru University, New Delhi.

STEPHEN LENDMAN is a Research Associate of the Centre for Research on Globalisation, Chicago, United States.

TERESA JOSEPH is Assistant Professor, Department of Political Science, Alphonsa College, Pala (under Mahatma Gandhi University) and Director, Centre for Gandhian Studies.

K.M. SEETHI is Professor and Chairman, Centre for Cross-National Communication in South Asia, School of International Relations and Politics, Mahatma Gandhi University, Kottayam, Kerala.

SUJATA ASHWARYA CHEEMA is Assistant Professor, Centre for West Asian Studies, Jamia Millia Islamia, New Delhi.

C. VINODAN is Chairman and Assistant Professor, Centre for Strategic and Security Studies (CSSS), School of International Relations and Politics, Mahatma Gandhi University, Kottayam, Kerala.

P.M. JOSHY is Deputy Director, ICSSR Project, Department of Politics and International Studies, Pondicherry University, Pondicherry.

MD. RAHAT HASAN is with the Academy of Third World Studies, Jamia Millia Islamia, New Delhi.

M. REGHUNATHAN is UGC Project Fellow, School of International Relations and Politics, Mahatma Gandhi University, Kottayam, Kerala.

REJI D. NAIR is Assistant Professor, Department of Economics, Arba Minch University, Arba Minch, Ethiopia.
All manuscripts submitted for publication should be sent to: The Editor, SAJD, K.P.S.Menon Chair, School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills PO., Kottayam, Kerala, India, PIN Code: 686560. Three copies of the double spaced manuscript should be provided. The author's name, full contact details (address, telephone number and e-mail address), and biographical note should be enclosed on a separate sheet of paper. In addition, the authors should also send the manuscript as an e-mail attachment in MS Word format to the Editor (kmseethimgu@gmail.com). The title page should contain the full title, subtitle (optional), abstract (100-150 words) and key words (5-10). Biographical notes (50-100 words) should give current affiliation, research interests and recent publications.

Research articles should be of 6000 words, including footnotes. Lengths for review essays shall be 2,000 words. English (UK) spelling should be used for the preparation of the manuscript. Spell out numbers from one to nine and use figures for 10 and above except in tables. Indent all quotations of more than 50 words and make sure that all subheadings are clearly indicated. Dates should be in the form 14 July 2010. Use single quotation marks and double marks (inside single). Use the referencing system given below.

Reference: Format

Citations to sources are arranged in the text of the essay in order to identify sources for readers and facilitate them to locate the source of the cited information in the bibliography/references. The parenthetical (in text) references include the author's last name, the year of publication enclosed in parentheses and page number(s), wherever necessary. Citations are placed within sentences and paragraphs so that it would be clear what information is being quoted/paraphrased and whose information is being cited. The last name of the author and the year of publication are inserted in the text at the appropriate point. For example,

There is a view, however, that the agreement is, in fact, a continuation of the process of the last few decades (Singh, 2005).

If the name of the author or the date appear as part of the narrative, cite only missing information in parentheses. For example,

Writing on a hypothetical possibility of India threatening to proliferate, Perkovich (2005) writes, “…China proliferated to Pakistan and Pakistan proliferated…”

When a work has two authors, always cite both names every time the reference occurs in the text. In the narrative text, join the names with the word “and.”

as Vermaik and Richeli (1989) demonstrated

When a work has three, four, or five authors, cite all authors the first time the reference occurs. For example,

Srinivasan, Grover, and Bhardwaj (2005) found

In all subsequent citations per paragraph, include only the surname of the first author followed by “et al.” and the year of publication as given below:

Srinivasan et al. (2005) found...
The names of agencies/organisations that serve as authors (corporate authors) are usually written out first time they appear in a text reference as follows:

World Trade Organisation (WTO) 2010

When appropriate, the names of some such authors are spelled out in the first reference and abbreviated in all subsequent citations. The general rule for abbreviating in this manner is to supply enough information in the text citation for a reader to locate its source in the Bibliography/References without difficulty.

WTO 2006

When a work has no author, use the first two or three words of the work’s title (omitting any initial articles) as your text reference, capitalising each word as follows:

Encyclopaedia Britannica (2010)

To cite a specific part of a source (always necessary for quotations), include the page, chapter, etc. (with appropriate abbreviations) in the in-text citation.

Srinivasan, Grover & Shekarri 2005: S181-88

Journal Article: where the page numbering continues from issue to issue,


Book

Article or Chapter in an edited Volume/Book

Website
### FORM IV

**Statement about ownership and other particulars of the South Asian Journal of Diplomacy (SAJD)**

Under Rule 8 of the Registration of Newspapers (Central), Rules, 1956.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Place of Publication</td>
<td>School of International Relations and Politics Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560</td>
<td></td>
</tr>
<tr>
<td>2. Periodicity of Publication</td>
<td>Annual</td>
<td></td>
</tr>
<tr>
<td>3. Printer's Name</td>
<td>K.M.Seethi Nationality Indian Address Professor, School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560</td>
<td></td>
</tr>
<tr>
<td>4. Publisher's Name</td>
<td>K.M.Seethi Nationality Indian Address Professor, School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560</td>
<td></td>
</tr>
<tr>
<td>5. Editor's Name</td>
<td>K.M.Seethi Nationality Indian Address School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560</td>
<td></td>
</tr>
<tr>
<td>6. Name and Address of Owner</td>
<td>K.M.Seethi Professor, School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560</td>
<td></td>
</tr>
</tbody>
</table>

I, K.M.Seethi, hereby declare that the particulars given above are true to the best of my knowledge and belief.

(Sd.) K.M.Seethi
Signature of Publisher
BOARD OF ASSOCIATE EDITORS
K.R. SINGH
RAJU K. THADIKKARAN
A.M. THOMAS
R. GIRISH KUMAR
C. VINODAN
M.V. BIJULAL

BOARD OF INTERNATIONAL ADVISORY EDITORS

JAMES PETRAS (Bartle Professor (Emeritus) of Sociology at Binghamton University, New York)
MARK PHYTHIAN (Department of Politics and International Relations, University of Leicester, UK)
KANTI BAJPAI (School of International Studies, Jawaharlal Nehru University, New Delhi, India)
ACHIN VANAIK (Department of Political Science, Delhi University, India)
V. SURYANARAYAN (Centre for Asian Studies, Chennai, India)
ZHENG YONGNIAN (East Asian Institute, National University of Singapore)
ITYY ABRAHAM (South Asia Institute, University of Texas, Austin)
MOonis AhMar (Department of International Relations, University of Karachi, Pakistan)
AMBASSADOR GEETHA DE SILVA (Regional Centre for Strategic Studies, Colombo, Sri Lanka)
DElWAR HOSSAIN (Department of International Relations, University of Dhaka, Bangladesh)
MATTHEW CRAVEN (School of Oriental and African Studies, University of London)

EDIToRIAL oFFICE
K.P.S. Menon Chair for Diplomatic Studies
School of International Relations and Politics
Mahatma Gandhi University
Priyadarshini Hills P.O.,
Kottayam, Kerala
India PIN- 686560
e-mail: sirmguniversity@gmail.com;
kmseethimgu@gmail.com;
Printed in India at DC Press (P) Limited, Kottayam, Kerala, India